

CITY OF
SUGAR CREEK,
MISSOURI

Comprehensive Annual Financial Report

Year Ended September 30, 2018

CITY OF SUGAR CREEK, MISSOURI
Comprehensive Annual Financial Report
Year Ended September 30, 2018

Prepared by

Debora King

City Treasurer . Finance Officer

CITY OF SUGAR CREEK, MISSOURI

Comprehensive Annual Financial Report

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INTRODUCTORY SECTION

CITY OF SUGAR CREEK, MISSOURI

Principal Officials

Mayor

Honorable Michael Larson

Board of Aldermen

*Honorable Robert Ray
Honorable Stanley J. Sagehorn
Honorable Charles Mikulich
Honorable Chris Steffen*

Interim City Administrator

Patrick Casey

City Clerk

Jana Olivarez Dickerson

City Treasurer / Finance Officer

Deborah King

City Attorney

Jennifer Baird

Building Official

Paul E. Loving

City Marshall

Christopher Soule

Fire Chief

Patrick Casey

Public Works Director

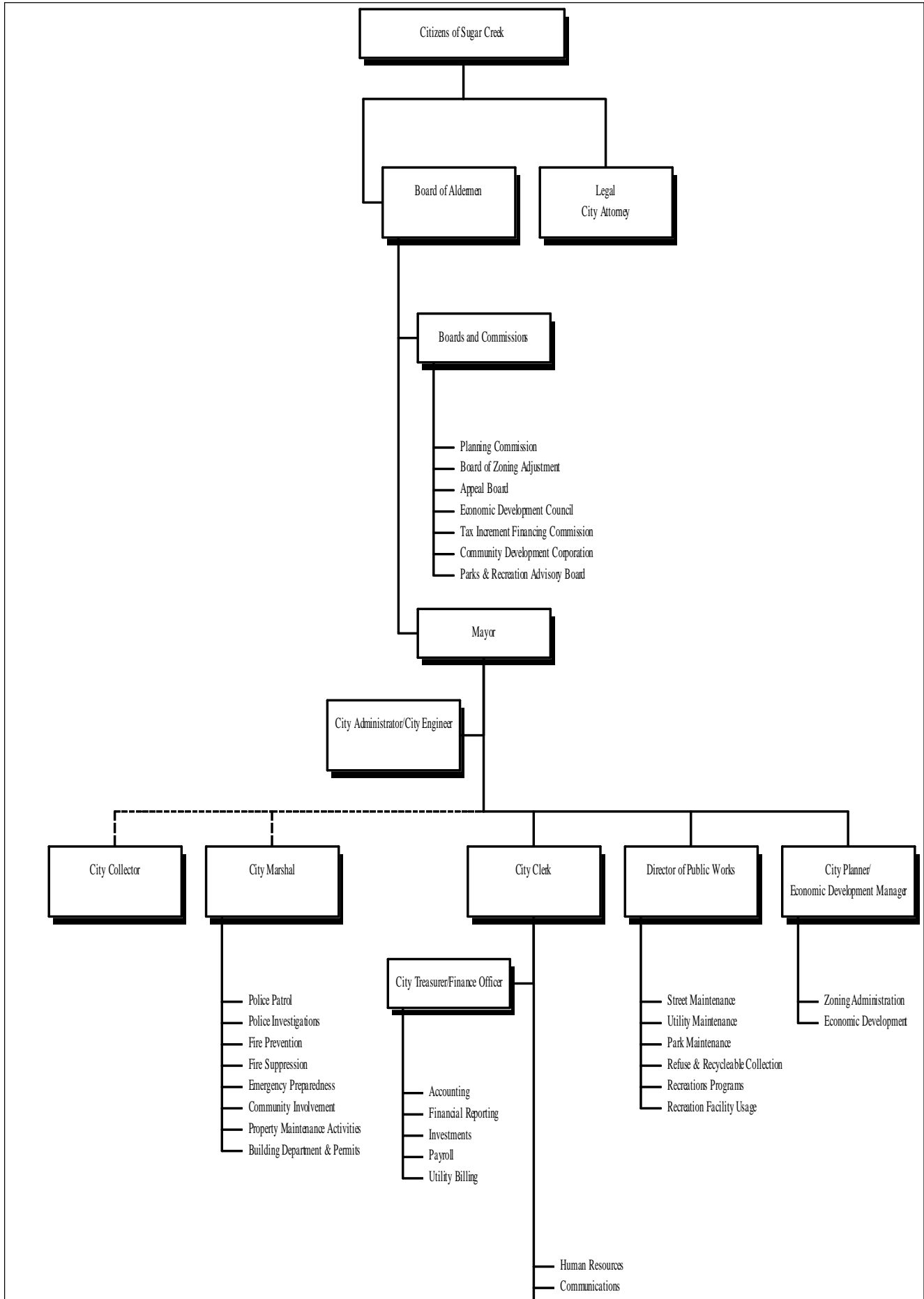
Ed Layton

Independent Certified Public Accountants

Cochran Head Vick & Co., P.C.

CITY OF SUGAR CREEK, MISSOURI

Organizational Chart
September 30, 2018





City of Sugar Creek

103 South Sterling – Sugar Creek, Missouri 64054

March 26, 2019

To the Honorable Mayor, Members of the Board of Aldermen,
and the Citizens of the City of Sugar Creek, Missouri:

The Comprehensive Annual Financial Report of the City of Sugar Creek for the year ended September 30, 2018 is hereby submitted for your information. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's activities have been included.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Sugar Creek's MD&A can be found immediately following the report of independent auditors.

Due to the City not meeting the minimum thresholds the City was not required to undergo an audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and by the U.S. Office of Management and Budget's (OMB) Uniform Guidance.

In fulfilling its responsibilities for reliable financial statements, management depends on the City's system of internal control. This system is designed to provide reasonable assurance that assets are effectively safeguarded and that transactions are executed in accordance with management's authorization and are properly recorded. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management.

The City provides a full range of services including police and fire protection; sanitation services; the construction and maintenance of streets and infrastructure; and recreational activities and cultural events.

Primary City Governance

The City of Sugar Creek, Missouri was incorporated in November 1920 and is a suburban community of the Fourth Class. Sugar Creek's boundaries are primarily located in Jackson County with a very small portion in Clay County all within the Kansas City Metropolitan Statistical Area. As of the 2010 Census, the population of the City Sugar Creek is 3,345. The City's land area has grown to 12.88 square miles.

Administrative Offices
816-252-4400
FAX: 252-7082

Police & Fire Departments
816-252-7058
FAX: 461-3493

Public Works Department
816-252-4413
FAX: 252-8843

Parks & Recreation Department
816-252-4413
FAX: 252-8843

The City of Sugar Creek is governed by a Board of Aldermen - City Administrator form of Government. Registered voters elect four individuals, two each in two separate wards, who serve four-year staggered terms as their representatives on the Board of Aldermen. The Board of Aldermen are responsible, for passing ordinances, adopting the annual budget, appointing committees, and hiring the City's department heads, except for the City Marshal who is elected for a four-year term. The Mayor is also elected to a four-year term and is responsible for carrying out the policies and ordinances adopted by the Board of Aldermen.

Local Economic Overview, and Outlook

The City's current economic environment remains unchanged from the prior two fiscal years. Through calendar year 2018, the gross receipts tax collections have increased over the prior year. Electrical franchise fees increased due to a manufacturing facility continuing to operate during the winter months and a KCP&L electrical energy rate increase. The increases to the budget billing program increased revenue KCP&L pays to the City.

During the 2018 fiscal year, Sugar Creek's outstanding debt was reduced by a total of \$348,201. The City successfully completed a Lease Purchase Agreement between the City of Sugar Creek and Community First National Bank for the purchase of a new pumper truck for the Fire Department. In April of 2018, the Firehouse Subs Grant Foundation awarded Chief Patrick Casey and the Sugar Creek Fire Department \$18,005 grant for Life Saving Extrication equipment. In 2018 the Fire Department also put a 2018 Dodge Ram 4x4 and 4 Door brush truck in service.

In 2018, City management drafted a proposal to present to the Board of Alderman for the replacement of some current business and residential water meters throughout Sugar Creek. Due to the inconsistency of the current meter system reading, it was determined that the City was suffering a substantial loss of revenues due to inaccurate meter readings. Approximately 978 meters will be replaced, which is a budgeted project within the Water Fund in 2019. The meter installation began in December 2018 with an estimated completion date of April 2019. The new meters will provide the City with accurate readings of water usage and the new software will allow the Utility Clerk to verify the readings and better response to business owners and residents' questions about water usage or leaks associated with their services.

City management submitted a proposal to the Board of Alderman to revise the billing and shutoff notification process. Within the new process, the City is able to reduce expenditures by combining the shut off notices and shut off dates on the same notice. Previously, the City had a process of distributing yellow door hangers after shut off notices were mailed to residents. By combining the shut off and turn off dates on the same notice, the City is able to save on time and money. This request was approved by the Board of Alderman in September 2018 and implemented January 1, 2019.

The Courtney Ridge Recycling and Disposal Facility remains one of the City's top revenues sources. During the 2018 fiscal year, the City's revenue from gross receipts increased over the previous fiscal year. The facility operator is forecasting the gross receipts to remain constant into the 2019 fiscal year.

In an effort to preserve the community of Sugar Creek, The Building Official has worked diligently to remove unhabitable properties that have become a nuisance to the City. In 2018, the Building/Codes Department worked with a contractor to remove five abandoned homes in an effort to improve the surrounding areas and preserve home values in the neighborhoods. Through new home construction, remodels/rehabs and upgrades, the Building/Codes Department issued 87 building permits in 2018. This is the highest number of permits issued in over 10 years. In continuing to revitalize Sugar Creek, a new home construction valued at \$500,000 was built within the City limits.

In July 2018, the Parks and Recreation Department received notification that Sugar Creek would receive the Missouri Elderly and Handicapped Transportation Assistance Program (MEHTAP) grant through the Missouri Department of Transportation. The MEHTAP provides a subsidy to local governmental agencies. Through our Parks and Recreation Department, various community events for seniors and handicapped individuals that reside in Sugar Creek have been established. The MEHTAP grant assists Sugar Creek in compensating the bus driver who is transporting the elderly and handicapped individuals on trips within and outside of the city limits.

Financial Controls

Accounting records for the City's general governmental operations are maintained on a modified accrual basis, with the revenues being recorded when measurable, and available expenditures being recorded when the liability is incurred. The City's accounting records for proprietary funds are maintained on an accrual basis.

The City maintains specific budget controls. The objective of these budget controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Aldermen. Activities of the general fund, special revenue funds, capital projects funds, debt service and proprietary funds are included in the annual appropriated budget. The legal level of budgetary control, which is the level expenditures cannot legally exceed the appropriated amount, is established at the fund total; however, transfers between line items within a fund are allowed.

Independent Audit

The firm of Cochran, Head Vick & Co. P.C. audits the City's financial statements. Auditing standards generally accepted in the United States of America and Government Auditing Standards were used by the auditors in conducting the engagement. The auditor's report is located in the financial section of the report.

Awards

The Government Finance Officers Association (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to a government for its comprehensive annual financial report (CAFR) if certain conditions are met. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized CAFR. This report must also satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. The City was awarded the certificate for the twenty-fourth consecutive year for its 2017 CAFR. A Certificate of Achievement is valid for a period of one year only. It is believed that our current CAFR will meet the Certificate of Achievement program's requirements and is being submitted to the GFOA to determine its eligibility.

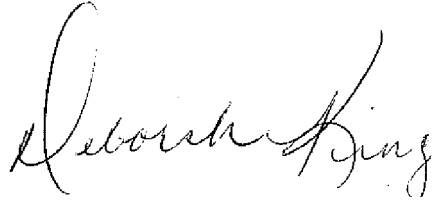
Acknowledgments

The preparation of this report could not have been accomplished without the efforts and dedication of the entire staff in the Finance Department. Due credit should be given to the Mayor and Board of Alderman for their interest and support in planning and conducting the operations of the City in a responsible and progressive manner.

Respectfully submitted,



Patrick Casey
Interim City Administrator



Deborah King
City Finance Officer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Sugar Creek
Missouri**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2017

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



1251 NW Briarcliff Pkwy
Suite 125
Kansas City, MO 64116
(816) 453-7014
Fax (816) 453-7016

Other Offices in
Missouri and Kansas

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Board of Aldermen
City of Sugar Creek, Missouri

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sugar Creek, Missouri (the City) as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 14 to the financial statements, in 2018, the City adopted new accounting guidance, Governmental Accounting Standard Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in net pension liability (asset) and related ratios, schedule of employer contributions, and schedule of funding progress as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual non-major fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2019, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Cochran Head Vick + Co., P.C.

Kansas City, Missouri
March 26, 2019

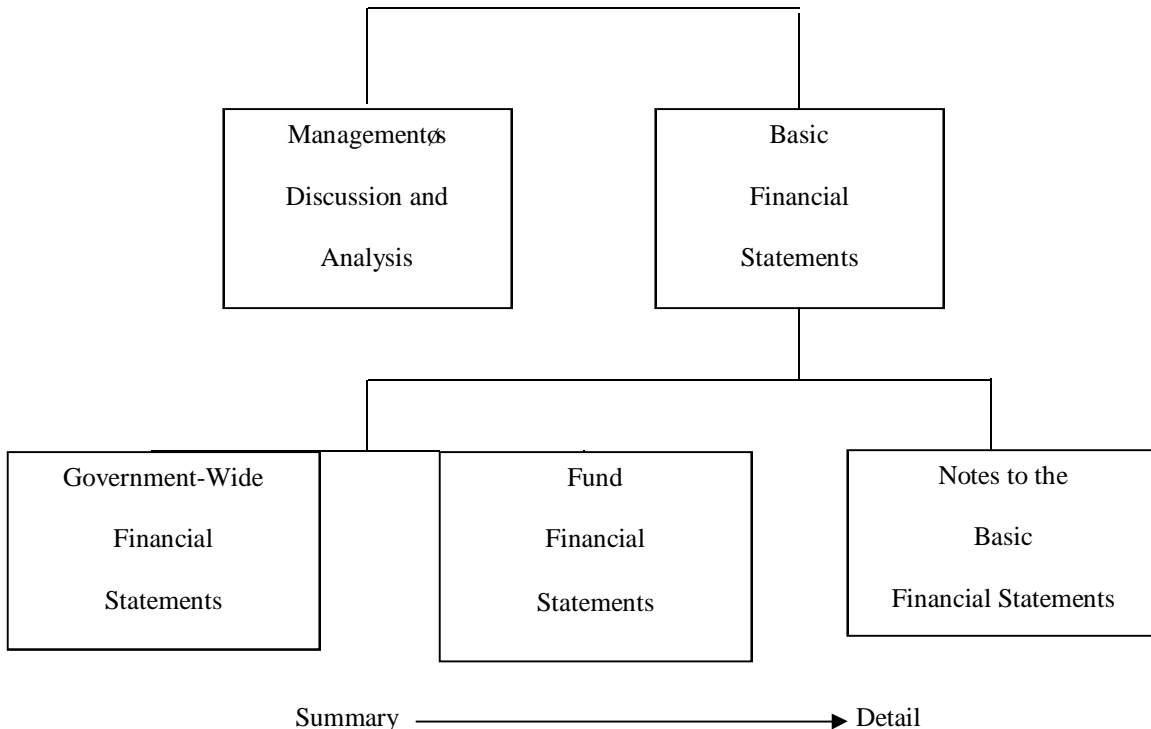
MANAGEMENT’S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Sugar Creek’s (the City) financial performance provides an overview of the City’s financial activities for the fiscal year ended September 30, 2018. We encourage readers to consider the information presented here in conjunction with the accompanying transmittal letter, the basic financial statements and the accompanying notes to those financial statements.

Financial Highlights

- The assets and deferred outflows of the City of Sugar Creek exceeded its liabilities and deferred inflows at the close of the September 30, 2018 fiscal year by \$21,712,000 (Net position). The assets and deferred outflows of the City of Sugar Creek exceeded its liabilities and deferred inflows at the close of the September 30, 2017 fiscal year by \$20,943,996.
- As of the close of the current fiscal year, the City of Sugar Creek’s governmental funds reported combined ending fund balances of \$9,070,764 an increase of \$708,510 in comparison with the prior year. Approximately 37.9 percent of the fund balance, \$3,440,954 is unassigned and available for spending at the government’s discretion.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3,440,954 or 66.8 percent of the total General Fund expenditures for 2018.

**Overview of the Financial Statements -
Required Components – Figure 1**



The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements.

The Statement of Net Position and the Statement of Activities (on pages 18 and 19) provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements start on page 20. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.

Reporting the City as a Whole

Our analysis of the City as a whole begins on page 12. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities reports information about the City as a whole and its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net position and changes in it. You can think of the City's net position—the difference between assets and liabilities—as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the City's property tax base and the condition of the City's roads, to assess the overall health of the City.

To aid in the understanding of the Statement of Activities, some additional explanation is given. Of particular interest is that the format is significantly different than a typical Statement of Revenues, Expenses, and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense)/Revenue. The reason for this kind of format is to highlight the relative net financial costs of each of the functions on the City's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants.

In the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

• **Governmental activities**—Most of the City's basic services are reported here, including general administration, public safety, streets and public works, economic development, health and welfare, and parks and recreation. Taxes, (sales, property, gross receipts taxes and franchise fees) charges for services, fines, and state and federal grants finance most of these activities.

• Business-type activities – The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City’s water, sanitary sewer and sanitation funds are reported here.

Reporting the City’s Most Significant Funds - Fund Financial Statements

The fund financial statements begin on page 20 and provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by State law and by bond covenants. The City establishes other funds to help it control and manage money for particular purposes (BP Reuse, State Gas Tax, Capital Improvement, Revolving Improvement, Debt Service and the Combined Sales Tax funds). The City uses two types of funds to manage its resources: governmental and proprietary funds. A fund is a fiscal entity with a set of self-balancing accounts recording financial resources, together with all related liabilities and residual equities and balances, and the changes therein. These accounting entities are separated for the purpose of carrying on specific activities or attaining certain objectives in accordance with regulations, restrictions or limitations.

- Governmental funds – Most of the City’s basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City’s general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City’s programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in the reconciliation following the fund financial statements.

- Proprietary funds – When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City’s water, sanitary sewer and sanitation enterprise funds, are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows.

Government-Wide Financial Analysis

Our analysis below focuses on net position (Figure 2) and changes in net position (Figure 3) of the governmental and business-type activities.

Figure 2 - Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	2017 **	2018	2017 **	2018	2017 **
Current and other assets	\$ 14,061,209	\$ 10,171,918	\$ 1,393,460	\$ 1,306,199	\$ 15,454,669	\$ 11,478,117
Capital assets	10,561,158	13,425,963	854,171	917,634	11,415,329	14,343,597
Total assets	24,622,367	23,597,881	2,247,631	2,223,833	26,869,998	25,821,714
Deferred outflows of resources	682,627	620,018	12,926	40,699	695,553	660,717
Other liabilities	375,089	133,873	474,215	283,197	849,304	417,070
Long-term debt	4,213,211	4,557,002	13,684	18,095	4,226,895	4,575,097
Total liabilities	4,588,300	4,690,875	487,899	301,292	5,076,199	4,992,167
Deferred inflows of resources	723,006	500,159	54,346	46,109	777,352	546,268
Net position:						
Net investment in						
capital assets	10,262,382	10,937,792	854,171	917,634	11,116,553	11,855,426
Restricted	6,467,310	5,588,655	84,824	52,642	6,552,134	5,641,297
Unrestricted	3,263,996	2,500,418	779,317	946,855	4,043,313	3,447,273
Total net position	\$ 19,993,688	\$ 19,026,865	\$ 1,718,312	\$ 1,917,131	\$ 21,712,000	\$ 20,943,996

** As restated

Net position may serve over time as a useful indicator of a government's financial position. The City of Sugar Creek's assets and deferred outflows exceeded liabilities and deferred inflows by \$21,712,000 at the close of fiscal year ended September 30, 2018. Of this total, \$6,552,134 is restricted; \$2,445,436 for pension benefits \$256,316 is for Debt service, \$1,177,315 for Capital Improvements, \$103,433 for Infrastructure Projects, \$928,537 for Public Health, \$1,436,725 for Parks and Recreation and \$204,372 for community development.

Figure 3 - Statement of Changes in Net Position

Revenues:	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Program revenues:						
Charges for services	\$ 713,955	\$ 481,528	\$ 1,399,883	\$ 1,374,234	\$ 2,113,838	\$ 1,855,762
Operating grants and contributions	45,566	34,091	-	-	45,566	34,091
Capital grants and contributions	10,334	993,448	-	-	10,334	993,448
General revenues:						
Property taxes	579,331	620,637	-	-	579,331	620,637
Sales tax	847,269	829,259	-	-	847,269	829,259
Gross receipts tax	1,992,894	1,775,020	-	-	1,992,894	1,775,020
Franchise tax	1,785,297	1,769,566	-	-	1,785,297	1,769,566
Other taxes	59,195	89,360	-	-	59,195	89,360
Intergovernmental	185,096	171,582	-	-	185,096	171,582
Contractual agreements	118,727	113,692	-	-	118,727	113,692
Unrestricted investment earnings	63,933	36,842	8,859	7,068	72,792	43,910
Miscellaneous	104,119	224,712	-	-	104,119	224,712
Total revenues	6,505,716	7,139,737	1,408,742	1,381,302	7,914,458	8,521,039
Expenses:						
General administration	1,248,013	1,333,361	-	-	1,248,013	1,333,361
Public safety	2,222,144	2,388,871	-	-	2,222,144	2,388,871
Streets and public works	1,515,770	1,195,490	-	-	1,515,770	1,195,490
Economic development	-	4	-	-	-	4
Health and welfare	61,514	6,502	-	-	61,514	6,502
Parks and recreation	255,712	241,667	-	-	255,712	241,667
Interest on long-term debt	185,740	190,440	-	-	185,740	190,440
Water	-	-	274,024	280,657	274,024	280,657
Sanitary sewer	-	-	1,107,872	923,223	1,107,872	923,223
Sanitation	-	-	275,665	311,791	275,665	311,791
Total expenses	5,488,893	5,356,335	1,657,561	1,515,671	7,146,454	6,872,006
Change in net position before transfers	1,016,823	1,783,402	(248,819)	(134,369)	768,004	1,649,033
Transfers	(50,000)	-	50,000	-	-	-
Change in net position	966,823	1,783,402	(198,819)	(134,369)	768,004	1,649,033
Net position, beginning of year **	19,026,865	17,243,463	1,917,131	2,051,500	20,943,996	19,294,963
Net position, end of year	\$ 19,993,688	\$ 19,026,865	\$ 1,718,312	\$ 1,917,131	\$ 21,712,000	\$ 20,943,996

** As restated

The City's net position increased \$768,004 during the 2018 fiscal year. Of the total, governmental activities net position increased \$966,823 and business-type net position decreased by \$198,819.

Total governmental revenues decreased \$634,021 over the prior year primarily related to the City receiving a one-time payment of \$876,000 in 2017 related to a funding agreement with Courtney Ridge Landfill, LLC. Charges for services and gross receipts tax increased from 2017 resulting from an increase in fines, building permits, and gross receipts. Business-type revenues increased \$25,599 from 2017. Governmental activities expenses increased \$132,558 from 2017. The increase in streets and public works expenses over 2017 resulted from the City abandoning the Lewis and Clark phase 2 project was partially offset by the decreases in general administration and public safety expenses related to changes in the City's net pension asset.

Business-type expenses increased \$141,890 from 2017 primarily from significant repair and maintenance in the City's sanitary sewer fund.

The City's Funds

Governmental funds reported combined ending fund balances of \$9,070,764, an increase of \$708,510. Total revenues decreased \$631,086 from 2017 primarily related to the City receiving a one-time payment of \$876,000 in 2017 related to a funding agreement with Courtney Ridge Landfill, LLC. The agreement is related to decreasing the inflation rate for the annual tonnage fee to be paid to the City through 2027.

Of the total governmental fund balances \$3,440,764 is unassigned and available for use within the City's designation and policies. The restricted fund balance is classified as follows: restricted for capital projects \$1,177,315, debt service \$256,316, public health, \$928,537, parks and recreation \$1,436,725, community development \$204,372, and streets and public works \$103,433. The committed fund balance for economic development totaled \$978,719. The assigned fund balance category includes Capital Projects of \$174,222. The nonspendable classifications include prepaid items of \$294,971 and advances to other funds of \$75,200.

The general fund is the main operating fund of the City of Sugar Creek. At the end of the current year, unassigned fund balance of the general fund was \$3,440,954 while total fund balance reached \$4,687,125. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 66.8 percent of total general fund expenditures, while total fund balance represents 91.1 percent of that same amount.

The fund balance of the general fund increased during 2018 by \$540,124. As noted earlier, increases in fines, building permits, and gross receipts contributed to the increase in the general fund balance.

The Public Health Fund accounts for property tax levied for public health purposes including sanitary sewer maintenance. The fund balance of the public health fund decreased during 2018 by \$41,468 primarily due to a transfer out to the Sewer Fund.

The Four Trails Landing Development fund balance did not change as the City continues to pursue development opportunities related to certain property held for development.

General Fund Budgetary Highlights

On a budgetary basis, the General Fund is the main operating fund of the City of Sugar Creek. The Fund balance increased \$572,062 from the prior year. The General Fund's expenditures were less than budgeted amounts by \$405,348 primarily due to budget savings related to Streets and public works contractual services and materials and supplies expenditures.

Capital Asset and Debt Administration

Capital Assets

At the end of September 30, 2018 the City had \$13.4 million invested in capital assets including land, buildings, equipment, vehicles, infrastructure, and water and sewer lines net of accumulated depreciation. (See table below) This represents a net decrease of \$928,268 from last year. See Note 7 to basic financial statements for more information and detail on the City's capital assets

Capital assets, net of accumulated depreciation

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 1,914,337	\$ 1,914,337	\$ -	\$ -	\$ 1,914,337	\$ 1,914,337
Construction in progress	298,382	674,578	-	-	298,382	674,578
Buildings and improvements	3,458,749	3,664,133	-	-	3,458,749	3,664,133
Equipment and vehicles	1,188,859	1,259,358	89,442	107,067	1,278,301	1,366,425
Office equipment	178,295	204,870	-	-	178,295	204,870
Infrastructure	5,522,536	5,708,687	-	-	5,522,536	5,708,687
Sewer and water lines	-	-	764,729	810,567	764,729	810,567
Total	\$ 12,561,158	\$ 13,425,963	\$ 854,171	\$ 917,634	\$ 13,415,329	\$ 14,343,597

Significant governmental activities additions include 5 vehicles totaling approximately \$126,000 and police and fire equipment totaling approximately \$46,000.

Long-term Obligations

The City, in 2015, issued \$2,425,000 Refunding Certificates of Participation to refund the 2009 Certificates of Participation issued for the purpose of reimbursing the Reuse Agreement Fund for costs related to the City's public safety facility. The State granted the City an energy loan for HVAC energy improvements at the Mike Onka Building, City Hall and Public Works Building. The City entered into capital lease agreements related to the acquisition of a fire truck and police radio equipment. See Note 8 to the basic financial statements for more information and detail on the City's long-term obligations.

	Outstanding Obligations					
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Compensated absences	\$ 169,163	\$ 176,174	\$ 11,973	\$ 14,214	\$ 181,136	\$ 190,388
Other post-employment benefits	36,770	83,376	1,711	3,881	38,481	87,257
Certificates of Participation	2,120,000	2,215,000	-	-	2,120,000	2,215,000
Discount on issuance	(11,892)	(12,667)	-	-	(11,892)	(12,667)
Energy loan	18,854	32,553	-	-	18,854	32,553
Capital leases	268,846	356,645	-	-	268,846	356,645
Developer agreement - TIF	1,483,730	1,514,311	-	-	1,483,730	1,514,311
Sales tax refund obligation	127,740	191,610	-	-	127,740	191,610
Total	\$ 4,213,211	\$ 4,557,002	\$ 13,684	\$ 18,095	\$ 4,226,895	\$ 4,575,097

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Office at 103 S. Sterling Sugar Creek, Missouri.

City of Sugar Creek, Missouri
Statement of Net Position
September 30, 2018

	Primary Government		Total
	Governmental Activities	Business-type Activities	
Assets			
Pooled cash and investments	\$ 6,639,742	\$ 899,166	\$ 7,538,908
Receivables:			
Taxes	863,689	-	863,689
Special assessments	-	12,160	12,160
Contractual agreements	-	88,333	88,333
Accounts and other	200,331	251,942	452,273
Accrued interest	23,656	2,556	26,212
Due from other governments	47,547	-	47,547
Internal balances	75,200	(75,200)	-
Prepays, deposits, and other assets	294,971	15,926	310,897
Restricted assets:			
Cash and investments	439,331	73,449	512,780
Property held for redevelopment	978,719	-	978,719
Net pension asset	2,498,023	125,128	2,623,151
Capital assets:			
Not being depreciated	2,212,719	-	2,212,719
Being depreciated, net of depreciation	10,348,439	854,171	11,202,610
Total assets	<u>24,622,367</u>	<u>2,247,631</u>	<u>26,869,998</u>
Deferred Outflows of Resources			
Deferred amounts on refunding	97,032	-	97,032
Pension related deferred outflows	585,595	12,926	598,521
Total deferred outflows of resources	<u>682,627</u>	<u>12,926</u>	<u>695,553</u>
Liabilities			
Accounts payable	196,404	367,456	563,860
Accrued payroll and benefits	101,222	2,954	104,176
Accrued interest	56,308	-	56,308
Payable from restricted assets:			
Police unclaimed money	778	-	778
Customer deposits	5,252	103,805	109,057
Municipal court bonds	15,125	-	15,125
Long term debt:			
Due within one year	346,100	4,500	350,600
Due in more than one year	3,867,111	9,184	3,876,295
Total liabilities	<u>4,588,300</u>	<u>487,899</u>	<u>5,076,199</u>
Deferred Inflows of Resources			
Pension related deferred inflows	699,019	53,230	752,249
OPEB deferred inflows	23,987	1,116	25,103
Total deferred inflow of resources	<u>723,006</u>	<u>54,346</u>	<u>777,352</u>
Net Position			
Net investment in capital assets	10,262,382	854,171	11,116,553
Restricted :			
Pension benefits	2,360,612	84,824	2,445,436
Debt service	256,316	-	256,316
Capital improvements	1,177,315	-	1,177,315
Infrastructure projects	103,433	-	103,433
Public health	928,537	-	928,537
Parks and recreation	1,436,725	-	1,436,725
Community development	204,372	-	204,372
Unrestricted	3,263,996	779,317	4,043,313
Total net position	<u>\$ 19,993,688</u>	<u>\$ 1,718,312</u>	<u>\$ 21,712,000</u>

See accompanying notes to the basic financial statements

City of Sugar Creek, Missouri
Statement of Activities
For the Year Ended September 30, 2018

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental activities							
General administration	\$ 1,248,013	\$ 237,825	\$ -	\$ -	\$ (1,010,188)	\$ -	\$ (1,010,188)
Public safety	2,222,144	436,905	45,566	10,334	(1,729,339)	-	(1,729,339)
Streets and public works	1,515,770	450	-	-	(1,515,320)	-	(1,515,320)
Economic development	-	-	-	-	-	-	-
Health and welfare	61,514	-	-	-	(61,514)	-	(61,514)
Parks and recreation	255,712	38,775	-	-	(216,937)	-	(216,937)
Interest on long-term debt	185,740	-	-	-	(185,740)	-	(185,740)
Total governmental activities	5,488,893	713,955	45,566	10,334	(4,719,038)	-	(4,719,038)
Business-type activities							
Water	274,024	305,599	-	-	-	31,575	31,575
Sanitary sewer	1,107,872	826,344	-	-	-	(281,528)	(281,528)
Sanitation	275,665	267,940	-	-	-	(7,725)	(7,725)
Total business-type activities	1,657,561	1,399,883	-	-	-	(257,678)	(257,678)
Total primary government	\$ 7,146,454	\$ 2,113,838	\$ 45,566	\$ 10,334	(4,719,038)	(257,678)	(4,976,716)

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General revenues:		
Taxes:		
Property taxes, levied for general purpose	579,331	579,331
Sales taxes	847,269	847,269
Gross receipts taxes	1,992,894	1,992,894
Franchise taxes	1,785,297	1,785,297
Other taxes	59,195	59,195
Grants and contributions not restricted to specific programs	185,096	185,096
Contractual agreements	118,727	118,727
Unrestricted investment earnings	63,933	72,792
Gain on sale of capital assets	13,344	13,344
Miscellaneous	90,775	90,775
Transfers	(50,000)	-
Total general revenues	5,685,861	5,744,720
Change in net position	966,823	768,004
Net position, beginning of year, as restated	19,026,865	20,943,996
Net position, end of year	\$ 19,993,688	\$ 21,712,000

See accompanying notes to the basic financial statements

Exhibit B

CITY OF SUGAR CREEK, MISSOURI
Balance Sheet - Governmental Funds
September 30, 2018

	General	Public Health	Four Trails Landing Development	Other Governmental Funds	Total Governmental Funds
Assets					
Pooled cash and investments	\$ 3,714,362	\$ 976,000	\$ -	\$ 1,949,380	\$ 6,639,742
Receivables:					
Taxes	811,855	4,245	-	47,589	863,689
Accrued interest	14,566	2,792	-	6,298	23,656
Accounts and other	200,331	-	-	-	200,331
Due from other governments	-	-	-	47,547	47,547
Due from other funds	75,200	-	-	58,016	133,216
Prepays, deposits and other assets	294,971	-	-	-	294,971
Restricted assets:					
Cash and investments	15,125	-	-	424,206	439,331
Property held for redevelopment	-	-	978,719	-	978,719
Total Assets	\$ 5,126,410	\$ 983,037	\$ 978,719	\$ 2,533,036	\$ 9,621,202
Liabilities					
Accounts payable	\$ 137,627	\$ 54,500	\$ -	\$ 4,277	\$ 196,404
Accrued payroll and benefits	101,222	-	-	-	101,222
Payable from restricted assets:					
Police unclaimed money	778	-	-	-	778
Customer deposits	5,252	-	-	-	5,252
Municipal court bonds	15,125	-	-	-	15,125
Due to other funds	30,341	-	-	27,675	58,016
Total Liabilities	290,345	54,500	-	31,952	376,797
Deferred inflows of resources					
Unavailable revenues	148,940	-	-	24,701	173,641
Fund balances:					
Nonspendable:					
Prepaid Items	294,971	-	-	-	294,971
Advances to other funds	75,200	-	-	-	75,200
Restricted:					
Capital projects	-	-	-	1,177,315	1,177,315
Debt service	-	-	-	256,316	256,316
Public health	-	928,537	-	-	928,537
Parks and recreation	876,000	-	-	560,725	1,436,725
Community development	-	-	-	204,372	204,372
Streets and public works	-	-	-	103,433	103,433
Committed:					
Economic development	-	-	978,719	-	978,719
Assigned:					
Capital projects	-	-	-	174,222	174,222
Unassigned	3,440,954	-	-	-	3,440,954
Total fund balance	4,687,125	928,537	978,719	2,476,383	9,070,764
Total liabilities, deferred inflows of resources and fund balances	\$ 5,126,410	\$ 983,037	\$ 978,719	\$ 2,533,036	\$ 9,621,202

See accompanying notes to the basic financial statements

**CITY OF SUGAR CREEK, MISSOURI
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
September 30, 2018**

Fund balances of governmental funds	\$	9,070,764
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund statements.		12,561,158
Deferred charges on refunding are not due and payable in the current period and therefore are not reported in the governmental fund statements.		97,032
Net pension assets are not due and available to be used as current period resources and therefore are not reported in the governmental fund statements.		2,498,023
Deferred outflows and inflows related to pension and OPEB activity are not required to be reported in the governmental funds but are required to be reported in the Statement of Net Position		(137,411)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:		
Long-term liabilities		(4,213,211)
Certain revenues are not available to pay for current period expenditures and therefore are reported as unavailable revenue in the governmental funds.		173,641
Liabilities for interest on long-term debt are recognized only when due in the governmental fund statements but are accrued in the government-wide statements.		(56,308)
Net position of governmental activities	<u>\$</u>	<u>19,993,688</u>

See accompanying notes to the basic financial statements

**CITY OF SUGAR CREEK, MISSOURI
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2018**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$	708,510
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay costs in excess of capitalization threshold		(180,923)
Depreciation		(661,347)
Disposal of capital assets		(22,535)

Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows in the governmental funds.

Other revenues		106,905
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position.

Changes in long-term debt, net		227,079
Changes in bond issuance discount		(775)
Changes in deferred amount on refunding		(6,328)
Changes in accrued interest expense		(33,473)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in compensated absences and other post employment benefits payable		22,619
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Changes in net pension obligations, deferred outflows and inflows		736,210
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Change in net position of governmental activities	\$	<u>966,823</u>
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See accompanying notes to the basic financial statements

CITY OF SUGAR CREEK, MISSOURI
Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
For the Year Ended September 30, 2018

	General	Public Health	Four Trails Landing Development	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 4,668,032	\$ 58,650	\$ -	\$ 487,304	\$ 5,213,986
Intergovernmental	55,901	-	-	156,240	212,141
Charges for services	37,025	-	-	-	37,025
Rentals	65,349	-	-	-	65,349
Fines and forfeitures	429,245	-	-	-	429,245
Payments in lieu of tax	21,890	-	-	-	21,890
Contractual agreements	68,787	-	-	-	68,787
Licenses and permits	182,336	-	-	-	182,336
Interest	32,706	11,396	-	19,831	63,933
Other	90,775	-	-	-	90,775
Total Revenues	5,652,046	70,046	-	663,375	6,385,467
Expenditures:					
Current:					
General administration	1,558,686	-	-	587	1,559,273
Public safety	2,398,933	-	-	-	2,398,933
Streets and public works	799,920	-	-	142,866	942,786
Economic development	-	-	-	-	-
Health and welfare	-	61,514	-	-	61,514
Parks and recreation	243,709	-	-	20,508	264,217
Debt service:					
Principal	101,498	-	-	125,581	227,079
Interest and fiscal charges	13,117	-	-	132,047	145,164
Claims	31,938	-	-	31,932	63,870
Total Expenditures	5,147,801	61,514	-	453,521	5,662,836
Excess of Revenues Over (Under) Expenditures	504,245	8,532	-	209,854	722,631
Other financing sources (uses):					
Transfers in	-	-	-	174,905	174,905
Transfers out	-	(50,000)	-	(174,905)	(224,905)
Sale of capital assets	35,879	-	-	-	35,879
Total Other Financing Sources (Uses)	35,879	(50,000)	-	-	(14,121)
Net change in fund balances	540,124	(41,468)	-	209,854	708,510
Fund balances, beginning of year	4,147,001	970,005	978,719	2,266,529	8,362,254
Fund balances, end of year	\$ 4,687,125	\$ 928,537	\$ 978,719	\$ 2,476,383	\$ 9,070,764

See accompanying notes to the basic financial statements

CITY OF SUGAR CREEK, MISSOURI
Statement of Net Position
Proprietary Funds
September 30, 2018

	Water	Sanitary Sewer	Sanitation	Totals
Assets				
Current assets:				
Pooled cash and investments	\$ 380,857	\$ 444,978	\$ 73,331	\$ 899,166
Receivables, net:				
Accounts and other	38,704	158,275	54,963	251,942
Contractual agreements	-	88,333	-	88,333
Special assessments	-	1,940	-	1,940
Accrued interest	1,674	724	158	2,556
Prepaid expenses	5,842	5,911	4,173	15,926
Restricted cash and investments	61,289	12,160	-	73,449
Total current assets	<u>488,366</u>	<u>712,321</u>	<u>132,625</u>	<u>1,333,312</u>
Noncurrent assets:				
Receivables, net:				
Special assessments	-	10,220	-	10,220
Capital assets:				
Being depreciated, net of depreciation	139,053	671,450	43,668	854,171
Net Pension Asset	55,204	45,526	24,398	125,128
Total noncurrent assets	<u>194,257</u>	<u>727,196</u>	<u>68,066</u>	<u>989,519</u>
Total assets	<u>682,623</u>	<u>1,439,517</u>	<u>200,691</u>	<u>2,322,831</u>
Deferred Outflows of Resources				
Pension related deferred outflows	5,703	4,703	2,520	12,926
Total Deferred Outflows of Resources	<u>5,703</u>	<u>4,703</u>	<u>2,520</u>	<u>12,926</u>
Liabilities				
Current liabilities:				
Accounts payable	16,312	332,562	18,582	367,456
Accrued liabilities	1,720	698	536	2,954
Due in one year	2,000	1,600	900	4,500
Current liabilities (payable from restricted assets):				
Customer deposits	89,569	14,236	-	103,805
Total current liabilities:	<u>109,601</u>	<u>349,096</u>	<u>20,018</u>	<u>478,715</u>
Long-term liabilities:				
Net pension liability	-	-	-	-
Due to other funds	-	75,200	-	75,200
Due in more than one year	4,031	3,161	1,992	9,184
Total long-term liabilities:	<u>4,031</u>	<u>78,361</u>	<u>1,992</u>	<u>84,384</u>
Total liabilities	<u>113,632</u>	<u>427,457</u>	<u>22,010</u>	<u>563,099</u>
Deferred Inflows of Resources				
OPEB related deferred inflows	478	272	366	1,116
Pension related deferred inflows	23,484	19,367	10,379	53,230
Total Deferred Inflows of Resources	<u>23,962</u>	<u>19,639</u>	<u>10,745</u>	<u>54,346</u>
Net position				
Net investment in capital assets	139,053	671,450	43,668	854,171
Restricted pension benefits	37,423	30,862	16,539	84,824
Unrestricted	374,256	294,812	110,249	779,317
Total net position	<u>\$ 550,732</u>	<u>\$ 997,124</u>	<u>\$ 170,456</u>	<u>\$ 1,718,312</u>

See accompanying notes to the basic financial statements

CITY OF SUGAR CREEK, MISSOURI
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended September 30, 2018

	Water	Sanitary Sewer	Sanitation	Totals
Operating revenues:				
Charges for services	\$ 305,599	\$ 826,344	\$ 267,940	\$ 1,399,883
Total operating revenues	<u>305,599</u>	<u>826,344</u>	<u>267,940</u>	<u>1,399,883</u>
Operating expenses:				
Personal services	82,704	54,767	37,815	175,286
Contractual services	37,464	997,246	227,643	1,262,353
Materials and supplies	26,558	18,128	2,700	47,386
Cost of water purchased	109,073	-	-	109,073
Depreciation	18,225	37,731	7,507	63,463
Other	-	-	-	-
Total operating expenses	<u>274,024</u>	<u>1,107,872</u>	<u>275,665</u>	<u>1,657,561</u>
Operating income (loss)	<u>31,575</u>	<u>(281,528)</u>	<u>(7,725)</u>	<u>(257,678)</u>
Nonoperating revenues:				
Interest income	4,131	4,258	470	8,859
Total nonoperating revenues	<u>4,131</u>	<u>4,258</u>	<u>470</u>	<u>8,859</u>
Income (loss) before transfers and capital contributions	35,706	(277,270)	(7,255)	(248,819)
Transfers in	-	50,000	-	50,000
Change in net position	35,706	(227,270)	(7,255)	(198,819)
Total net position, beginning of year, as restated	515,026	1,224,394	177,711	1,917,131
Total net position, end of year	<u>\$ 550,732</u>	<u>\$ 997,124</u>	<u>\$ 170,456</u>	<u>\$ 1,718,312</u>

See accompanying notes to the basic financial statements

CITY OF SUGAR CREEK, MISSOURI
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2018

	Water	Sanitary Sewer	Sanitation	Totals
Cash flows from operating activities:				
Receipts from customers and others	\$ 312,511	\$ 808,731	\$ 282,173	\$ 1,403,415
Payments to suppliers	(165,215)	(829,351)	(233,919)	(1,228,485)
Payments to employees	(97,214)	(74,258)	(39,193)	(210,665)
Net cash provided by (used in) operating activities	50,082	(94,878)	9,061	(35,735)
Cash flows from noncapital financing activities:				
Transfers in (out)	-	50,000	-	50,000
Net cash provided by (used in) noncapital financing activities	-	50,000	-	50,000
Cash flows from investing activities:				
Interest received	3,845	5,355	440	9,640
Purchases of investments and certificates of deposit	(372,920)	(525,500)	(45,744)	(944,164)
Maturity of investments and certificates of deposit	339,992	776,226	58,366	1,174,584
Net cash provided by (used in) investing activities	(29,083)	256,081	13,062	240,060
Cash flows from capital and related financing activities:				
Special assessments received	-	1,891	-	1,891
Net cash provided by (used in) capital and related financing activities	-	1,891	-	1,891
Net change in cash and equivalents	20,999	213,094	22,123	256,216
Cash and equivalents, beginning of year	14,843	-	18,105	32,948
Cash and equivalents, end of year	35,842	213,094	40,228	289,164
Investments and long-term certificates of deposit	406,304	244,044	33,103	683,451
Total cash and investments reported on the Statement of Net Position	\$ 442,146	\$ 457,138	\$ 73,331	\$ 972,615
Cash and investments reported on the Statement of Net Position				
Pooled cash and investments	\$ 380,857	\$ 444,978	\$ 73,331	\$ 899,166
Restricted cash and investments	61,289	12,160	-	73,449
Total cash and investments	\$ 442,146	\$ 457,138	\$ 73,331	\$ 972,615
Reconciliation of operating income to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 31,575	\$ (281,528)	\$ (7,725)	\$ (257,678)
Adjustments to reconcile operating loss to net cash used by operations:				
Depreciation	18,225	37,731	7,507	63,463
Change in compensated absences and OPEB	(931)	(1,046)	(2,434)	(4,411)
Changes in net pension asset/liability	(30,242)	(31,457)	(5,377)	(67,076)
Changes in deferred outflows of resources	11,797	5,161	10,815	27,773
Changes in deferred inflows of resources	4,136	8,464	(4,363)	8,237
Changes in:				
Receivables	10,138	(19,180)	14,233	5,191
Prepaid expenses and deposits	1,801	120	(4,173)	(2,252)
Accounts payable	6,079	185,903	597	192,579
Accrued liabilities	730	(613)	(19)	98
Customer deposits	(3,226)	1,567	-	(1,659)
Net cash provided by (used in) operating activities	\$ 50,082	\$ (94,878)	\$ 9,061	\$ (35,735)

See accompanying notes to the basic financial statements

NOTES TO THE BASIC FINANCIAL STATEMENTS

The notes to the basic financial statements include a summary of accounting policies followed and other information provided by the City of Sugar Creek, Missouri, judged to be most appropriate for full disclosure in the preparation of the basic financial statements.

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements

September 30, 2018

(1) Summary of Significant Accounting Policies

The City of Sugar Creek, Missouri (the City) was incorporated on November 15, 1920 under an order of the Jackson County Circuit Court. The City is a fourth-class city and operates under a Mayor-Board of Aldermen form of government. The City Administrator is the chief administrative officer of the City. The City provides services to nearly 4,000 residents in many areas, including law enforcement and fire protection, water, sewer and sanitation services, community enrichment and development, and various social services.

The accounting and reporting policies of the City conform to generally accepted accounting principles (GAAP) in the United States of America applicable to local governments. The following represent the more significant accounting and reporting policies and practices of the City.

A. Financial Reporting Entity

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. Component units are separate legal entities which are included in the primary government's financial report. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic, but not only, criterion for including a potential component unit within the reporting entity is the City's financial accountability for the potential component unit. An entity is considered a component unit if City officials appoint a voting majority of the component unit's governing body and the City is able to impose its will upon the component unit. Additionally, if the entity provides specific financial benefits to or imposes specific financial burdens on the City, it may be considered a component unit. Management has determined that there are no component units to include in the reporting entity.

B. Basis of Presentation

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds).

Government-wide financial statements

The statement of net position and the statement of activities display information about the City, the primary government, as a whole. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. Expenses are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the City.

Fund financial statements

Fund financial statements report detailed information about the City. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements

September 30, 2018

GOVERNMENTAL FUNDS

Governmental Funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources and the related liabilities (other than those in Proprietary Funds) are accounted for through Governmental Funds. The measurement focus is upon determination of financial position and changes in financial position, rather than upon net income determination.

The following are the City's major governmental funds:

The General Fund . the general operating fund of the City and accounts for all financial transactions not accounted for in other funds. The general operating expenditures, fixed charges, and capital improvement costs that are not paid through other funds are financed through revenues received by the General Fund.

The Public Health Fund . used to account for property tax levied for public health purposes including sanitary sewer maintenance.

Four Trails Landing Development Fund (formally known as the Sugarland Development Fund and the Heritage Ridge Development Fund) – to account for the activities related to the Four Trails Landing redevelopment project.

PROPRIETARY FUNDS

Proprietary Funds are used to account for the City's ongoing activities which are similar to those found in the private sector. The measurement focus is upon determination of net income, financial position, and changes in financial position.

The following are the City's major proprietary funds:

The Water Utility Fund . accounts for the provision of water services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

The Sewer Utility Fund – accounts for the provision of sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

The Sanitation Fund – accounts for the provision of sanitation services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

C. Basis of Accounting

Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned or when all eligibility requirements have been satisfied and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, sales tax, and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. This is a similar approach to that used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, the governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements

September 30, 2018

Governmental Fund Financial Statements

All governmental funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

Revenue Recognition

In applying the susceptible to accrual concept under the modified accrual basis, certain revenue sources are deemed both measurable and available (collectible within the current year or within two months of year-end and available to pay obligations of the current period). This includes property taxes, investment earnings and state-levied locally shared taxes (including motor vehicle fees). The City records property tax receivables at the time the lien attaches to the property. Reimbursements due for federally funded projects are accrued as revenue at the time the expenditures are made, or when received in advance, deferred until expenditures are made.

Other revenues, including licenses and permits, certain charges for services, and miscellaneous revenues, are recorded as revenue when received in cash because they are generally not measurable until actually received.

Expenditure Recognition

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, principal and interest on general long-term debt, which have not matured are recognized when due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

Proprietary Fund Financial Statements

The economic resources measurement focus and the accrual basis of accounting are utilized by the proprietary funds. Under this basis of accounting, revenues are recognized when earned and expenses are recorded when liabilities are incurred. All assets and liabilities (whether current or noncurrent) associated with a proprietary fund's activities are included on its statement of net position and statement of activities. Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. All other revenues and expenses are considered nonoperating.

D. Deposits and Investments

Missouri State Statutes authorize the City, with certain restrictions, to deposit funds in open accounts, time deposits, investment pools and certificates of deposit. Statutes also require that collateral pledged must have a fair value equal to 100% of the funds on deposit, less insured amounts. Collateral securities must be held by the City or an independent third party and must be of the kind prescribed by State Statutes and approved by the State.

The City maintains and controls a cash pool in which a majority of the City's funds share. Each fund's portion of the pool is displayed on their respective balance sheet or statement of net position as a pooled cash and investments. The City's cash and investments are primarily considered to be cash on hand, amounts in demand deposits, and certificates of deposits. Interest earned on demand deposits is recorded in the General Fund. Interest income earned on certificates of deposit is allocated to the various funds on the basis of average month-end balances.

For purposes of the statement of cash flows, short-term investments and certificates of deposit with a maturity date within three months of the date acquired by the City, if any, are considered cash equivalents.

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements

September 30, 2018

E. Accounts Receivable

Accounts receivable result primarily from miscellaneous services provided to citizens accounted for in the Governmental Funds, and from water, sewer, and sanitation services accounted for in the their respective Proprietary Fund net of an allowance for doubtful accounts.

F. Prepaid Items

Certain payments to vendors reflecting costs applicable to future accounting periods have been recorded as prepaid items in both the government-wide and fund financial statements using the consumption method.

G. Capital Assets

Capital assets, which include property, equipment, and infrastructure assets (i.e. roads, street lights, storm sewers, etc.) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are charged to expenditures as purchased in the governmental fund statements, and capitalized in the proprietary fund statements. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at estimated acquisition fair value as of the date of the donation.

Capital assets are defined by the City as assets with an initial, individual cost of \$1,000 or more and an estimated useful life of greater than one year. Additions or improvements and other capital outlays that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Other costs incurred for repairs and maintenance is expensed as incurred. Fully depreciated capital assets are included in their respective accounts until their disposal.

Depreciation on exhaustible assets is recorded as an allocated expense in the statement of activities with accumulated depreciation reflected in the statement of net position and is provided on the straight-line basis over the following estimated useful lives:

Buildings	30 . 40 years
Machinery and equipment	5 . 10 years
Vehicles	5 . 15 years
Infrastructure	50 years
Sewer and water lines	30 . 70 years

H. Compensated Absences

Under terms of the City's personnel policy, City employees are granted vacation and sick leave in varying amounts. Vacation days are required to be taken within the current or following calendar year in which earned. In the event of retirement or termination, an employee is paid for unused vacation days.

City employees are eligible to receive payment for accumulated sick leave only upon retirement. In the event of retirement, an employee is paid for unused sick days up to the maximum of 30 days. The amount of sick leave, which will be utilized or paid in future years, does not vest until retirement.

Vested or accumulation vacation and sick time is accounted for as follows:

Governmental Funds - The accumulated liabilities for employee vacation and sick time is recorded in the governmental activities column of the government-wide financial statements.

Proprietary Funds - The costs of vacation and sick pay are accrued in the respective funds as earned by City employees and recorded in the proprietary fund financial statements and the business-type activities column of the government-wide financial statements.

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements

September 30, 2018

I. Deferred Outflows/inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has two items that qualify for reporting in this category. The first item is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunding or refunded debt. The second item results from actuarial assumption changes, the difference between actual and projected earnings in calculating the net pension asset, changes between actual and projected experience in calculating the net pension asset and pension contributions made by the City subsequent to the pension valuation date. The contribution amount will be applied during the next fiscal year while the changes in actual versus projected amounts will be amortized over five to seven years.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three types of items, which arises under the accrual and modified accrual basis of accounting, which qualify for reporting in this category. The first one relates to the change in actual and projected experience in calculating the pension liability and actuarial assumption changes. The second item relates to the change in actual and projected experience in calculating the OPEB liability. The third item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues related to taxes, fees, and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Missouri Local Government Employees Retirement System (LAGERS) and additions to/deductions from LAGERS fiduciary net position have been determined on the same basis as they are reported by each plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

J. Interfund Activity

Loans – amounts provided with a requirement for repayment. Interfund loans are reported as interfund receivables (i.e., due from other funds) in lender funds and interfund payables (i.e. due to other funds) in borrower funds.

Services provided and used – sales and purchases of goods and services between funds for a price approximating their fair value. Interfund services provided and used are reported as revenues in funds providing the good or service and expenditures or expenses in the fund purchasing the good or service. Unpaid amounts are reported as interfund receivables and payables in the fund balance sheets or statement of net position.

Reimbursements – repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Transfers – flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers.

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements

September 30, 2018

K. Fund Balances

In the fund financial statements, governmental funds report the following fund balance classifications:

Non-Spendable . This consists of amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted . This consists of amounts where constraints are placed on the use of those resources which are either externally imposed by creditors, grantors, contributors, laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed . This consists of amounts which can only be used for specific purposes determined by a formal action of passing an ordinance by the Board of Aldermen, the City's highest level of decision-making authority. Any changes or removal of specific purpose requires the same action by the Board of Aldermen.

Assigned . This consists of amounts which are constrained by City management's intent to be used for a specific purpose but do not meet the criteria to be classified as committed. In accordance with the approved City policy only the Board of Alderman has the authority to assign amounts for a specific purpose in this category.

Unassigned . This consists of the residual fund balance that does not meet the requirements for the non-spendable, restricted, committed, or assigned classifications. A positive unassigned fund balance is only possible in the general fund.

The City has a fund balance policy that provides guidance for programs with multiple revenue sources. The policy is to use restricted resources first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance.

L. Net Position Classifications

In the government-wide statements, equity is shown as net position and classified into three components:

- (1) Net investment in capital assets . consisting of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgage notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- (2) Restricted net position . consisting of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The City first utilizes restricted resources to finance qualifying activities.
- (3) Unrestricted net position . All other net position that do not meet the definition of restricted or net investment in capital assets.

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements

September 30, 2018

M. Use of Estimates

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(2) Deposits and Investments

A summary of the City's significant policies relating to cash and investments can be found in Note 1. A reconciliation of cash and investments with the Government-wide Statement of Net Position is as follows:

Cash on hand	\$	1,150
Demand deposits		2,040,332
Certificates of deposits		1,474,213
Investments		4,535,993
	<u>\$</u>	<u>8,051,688</u>
Government-wide statement of net position		
Pooled cash and investments	\$	7,538,908
Restricted cash and investments		512,780
	<u>\$</u>	<u>8,051,688</u>

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is that, in the event of the failure of a counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City's policy is to collateralize deposits with securities held by the financial institution's agent and in the City's name.

As of September 30, 2018, all of the City's deposits were insured with Federal depository insurance, with the remaining uninsured balance collateralized by securities held in the City's name by their financial institution's agent. Accordingly, management has determined that none of the City's deposits were exposed to custodial credit risk as of September 30, 2018.

The carrying amount and maturity segment for the City's investments at September 30, 2018 are as follows:

Investments	Investment Maturity	
	Under 1 year	One to five years
U.S. Treasury Notes	\$ 1,941,273	\$ 1,511,046
Federal Home Loan Bank	651,233	-
Federal Farm Credit Bank	-	432,441
	<u>\$ 2,592,506</u>	<u>\$ 1,943,487</u>

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements

September 30, 2018

Credit Risk

Credit risk is the risk that the issuer or other counterparty to an investment will be unable to fulfill its obligations. It is the City's policy to minimize credit risk by limiting its investments to Certificates of deposit, bonds, or other obligations of the United States, and other debt securities given the highest available rating by a nationally recognized statistical rating organization. All securities listed above are either a U.S. Government obligation, or implicitly guaranteed by the U.S. Government. Federal Home Loan Bank and Federal Farm Credit Bank are implicitly guaranteed by the U.S. Government and are rated AA+ by Standard & Poor's as of yearend.

Interest Rate Risk

The City's investment policy limits investment maturities to five years as a means of managing its exposure to fair value losses arising from changes in interest rates. To minimize the risk of loss, the City matches investments to anticipated cash flows and diversifies the investment types to the extent practicable. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk.

The U.S. Government and agency obligations above have maturity dates ranging from October 31, 2018 to December 15, 2020.

Concentration of Credit Risk

The City's investment policy does not limit the amount that can be invested with any one issuer. Investments that represent more than 5% of the City's investments consist of U.S. Government agency securities and are included above.

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by general accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted in active markets for identical assets; Level 2 inputs are significant other observable inputs such as third party pricing services for identical assets; Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of September 30, 2018:

	<u>Level 1</u>
<u>Investments</u>	
U.S. Treasury Notes	\$3,452,319
Federal Home Loan Bank	651,233
Federal Farm Credit Bank	432,441
	<u>\$4,535,993</u>

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements

September 30, 2018

(3) Tax Revenues and Taxes Receivable

The City's property taxes are levied and recorded each November 1 on the assessed value as of the prior January 1 for all property located in the City, and are delinquent on January 1 (the lien date) following the levy date. The assessed value of local property at January 1, 2017, was \$50,769,109.

The City is permitted by the Missouri State Constitution to levy (without a vote of two-thirds of the voting electorate) taxes up to \$1.00 per \$100 of assessed valuation for general governmental services other than the payment of principal and interest on long-term debt. The City's property tax levies per \$100 of assessed valuation for the year in which the revenues were earned were as follows:

	<u>Fund</u>	<u>Levy</u>
	General	\$ 0.9246
	Public Health	<u>0.1202</u>
		<u>\$ 1.0448</u>

Tax revenues for the year ended September 30, 2018 consisted of the following:

	<u>General Fund</u>	<u>Public Health Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Franchise taxes	\$ 1,782,097	\$ -	\$ 3,200	\$ 1,785,297
Gross receipts taxes	1,992,894	-	-	1,992,894
Property taxes	483,997	58,650	36,684	579,331
Sales and use taxes	399,849	-	447,420	847,269
Other taxes	9,195	-	-	9,195
	<u>\$ 4,668,032</u>	<u>\$ 58,650</u>	<u>\$ 487,304</u>	<u>\$ 5,213,986</u>

Taxes receivable represent property, sales, gross receipts, and franchise taxes, including interest and penalties, reduced by an appropriate allowance for uncollectible taxes. Taxes receivable consisted of the following at September 30, 2018:

	<u>General Fund</u>	<u>Public Health Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Franchise taxes	\$ 172,943	\$ -	\$ -	\$ 172,943
Gross receipts taxes	558,669	-	-	558,669
Property taxes	32,655	4,245	-	36,900
Sales and use taxes	47,588	-	47,589	95,177
	<u>\$ 811,855</u>	<u>\$ 4,245</u>	<u>\$ 47,589</u>	<u>\$ 863,689</u>

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements

September 30, 2018

(4) Intergovernmental Revenues/Receivables

Intergovernmental revenues during the year ended September 30, 2018 consisted of the following:

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Grants - Federal, State and Local	\$ 55,901	\$ -	\$ 55,901
State:			
Motor vehicle sales tax	-	30,397	30,397
Motor vehicle fuel tax	-	89,583	89,583
Motor vehicle license and title transfer fees	-	14,975	14,975
Local:			
Tax increment financing revenues	-	21,285	21,285
Total Intergovernmental Revenue	<u>\$ 55,901</u>	<u>\$ 156,240</u>	<u>\$ 212,141</u>

Amounts due from other governments at September 30, 2018, were as follows:

	<u>Other Governmental Funds</u>	<u>Total</u>
State:		
Motor vehicle sales tax	\$ 4,800	\$ 4,800
Motor vehicle fuel tax	15,845	15,845
Motor vehicle license and title transfer fees	2,201	2,201
Local:		
Tax increment financing revenues	24,701	24,701
Total due from other governments	<u>\$ 47,547</u>	<u>\$ 47,547</u>

(5) Property Held for Redevelopment

During 2007 and 2008, the City acquired various properties associated with the implementation of the Four Trails Landing Development (formally known as Sugarland Development and Heritage Ridge Development) totaling approximately \$5.6 million. In accordance with the redevelopment agreement, the majority of the properties acquired were conveyed to the Developer. The agreement provided that in the event the Developer fails to perform its obligations under the redevelopment plan and/or the City and Developer agree to abandon the project, the City shall have an unconditional right to repurchase the properties at an amount equal to the amount that the Developer paid (approximately \$479,000) the City plus any reasonable costs incurred by the Developer related to work actually performed on the properties. The Developer had pledged certain property as collateral for certain developer bridge loans.

In 2011, the City and the Developer entered into a Settlement Agreement to terminate the relationship created by the redevelopment agreement. In connection with the Settlement Agreement, the City authorized the formation of the Industrial Development Authority of the City of Sugar Creek (IDA). The IDA was created to enter into a \$2,287,585 loan agreement with the Bank of Kansas City (the Bank), as contemplated by the Settlement Agreement. In connection with the IDA promissory note with the Bank, the IDA and the City entered into a Lease Purchase Agreement (the Lease Agreement). The Lease Agreement was assigned to the Bank in connection with the promissory note.

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements

September 30, 2018

In the fiscal year September 30, 2015, the City, IDA and the Bank entered into an agreement that released the IDA and City from all liability under the 2011 note agreement. In exchange, the City acquired certain land and land improvements that were held as collateral on the promissory note for \$350,000.

A summary of the changes in property held for redevelopment for the year is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Property Held for Redevelopment	\$ 978,719	\$ -	\$ -	\$ 978,719

(6) Interfund Activity

Transfers between funds for the year ended September 30, 2018 were as follows:

	Transfers Out:		
	Public Health	Other Governmental Funds	Total
Transfers In:			
Governmental activities:			
Other Governmental Funds	\$ -	\$ 174,905	\$ 174,905
Total governmental activities	-	174,905	174,905
Business-type activities:			
Sanitary Sewer Fund	50,000	-	50,000
Total business-type activities	50,000	-	50,000
Total	\$ 50,000	\$ 174,905	\$ 224,905

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to debt service funds as debt service payments become due, and (3) to fund certain repair projects. Any transfers within the governmental funds or within the proprietary funds have been eliminated in the government-wide statement of activities.

Amount due to/due from other funds as of September 30, 2018 were as follows:

	Due to:		
	General Fund	Other Governmental Funds	Total
Due from:			
Governmental activities:			
General Fund	\$ -	\$ 30,341	\$ 30,341
Other Governmental Funds	-	27,675	27,675
Total governmental activities	-	58,016	58,016
Business-type activities:			
Sanitary Sewer Fund	75,200	-	75,200
Total business-type activities	75,200	-	75,200
Total	\$ 75,200	\$ 58,016	\$ 133,216

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements

September 30, 2018

Interfund balances of the Sanitary Sewer Fund were used to pay for certain capital assets acquisitions in prior years. Other interfund balances represent certain taxes collected by the General Fund and sales tax funds that are payable to the Eagle Materials TIF fund (formally known as the Lafarge TIF fund) to service the related TIF developer obligation.

(7) Capital Assets

A summary of the changes in capital assets for the year is as follows:

Governmental activities:	September 30,		September 30,	
	2017	Additions	Retirements	2018
Capital assets, not being depreciated				
Land and improvements	\$ 1,914,337	\$ -	\$ -	\$ 1,914,337
Construction in progress	674,578	19,289	395,485	298,382
Total capital assets, not being depreciated	<u>2,588,915</u>	<u>19,289</u>	<u>395,485</u>	<u>2,212,719</u>
Capital assets, being depreciated				
Buildings	6,300,991	-	-	6,300,991
Equipment and vehicles	3,546,814	182,669	310,291	3,419,192
Office equipment	585,623	12,604	67,490	530,737
Infrastructure	9,307,547	-	-	9,307,547
Total capital assets being depreciated	<u>19,740,975</u>	<u>195,273</u>	<u>377,781</u>	<u>19,558,467</u>
Less accumulated depreciation for:				
Buildings	2,636,858	205,384	-	2,842,242
Equipment and vehicles	2,287,456	230,788	287,911	2,230,333
Office equipment	380,753	39,023	67,334	352,442
Infrastructure	3,598,860	186,151	-	3,785,011
Total accumulated depreciation	<u>8,903,927</u>	<u>661,346</u>	<u>355,245</u>	<u>9,210,028</u>
Total capital assets being depreciated, net	<u>10,837,048</u>			<u>10,348,439</u>
Governmental activities capital assets, net	<u>\$ 13,425,963</u>			<u>\$ 12,561,158</u>

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements

September 30, 2018

	September 30, 2017	Additions	Retirements	September 30, 2018
Business-type activities:				
Capital assets, being depreciated				
Equipment and vehicles	\$ 527,453	\$ -	\$ 78,044	\$ 449,409
Sewer and water lines	2,595,308	-	-	2,595,308
Total capital assets being depreciated	<u>3,122,761</u>	-	78,044	<u>3,044,717</u>
Less accumulated depreciation for:				
Equipment and vehicles	420,386	17,625	78,044	359,967
Sewer and water lines	1,784,741	45,838	-	1,830,579
Total accumulated depreciation	<u>2,205,127</u>	63,463	78,044	<u>2,190,546</u>
Total capital assets being depreciated, net	<u>917,634</u>			<u>854,171</u>
Business-type activates capital assets, net	<u>\$ 917,634</u>			<u>\$ 854,171</u>

Depreciation expense was charged to functions and programs of the primary government as follows:

Governmental activities	
General administration	\$ 32,174
Public safety	326,894
Streets and public works	273,749
Parks and recreation	<u>28,529</u>
Total depreciation expense for governmental activities	<u>\$ 661,346</u>
Business-type activities	
Water	\$ 18,225
Sewer	37,731
Sanitation	<u>7,507</u>
Total depreciation expense for business-type activities	<u>\$ 63,463</u>

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements

September 30, 2018

(8) Long Term Debt

A summary of the changes in long term debt is as follows:

	<u>Beginning</u>	<u>Adjustments/</u>	<u>Adjustments/</u>	<u>End of</u>	<u>Due Within</u>
	<u>of Year</u>	<u>Additions</u>	<u>Retirements</u>	<u>Year</u>	<u>One Year</u>
Governmental Activities:					
Certificates of participation	\$ 2,215,000	\$ -	\$ 95,000	\$ 2,120,000	\$ 95,000
Discount on issuance	(12,667)	-	(775)	(11,892)	(775)
Energy loan	32,553	-	13,699	18,854	14,917
Firetruck lease	46,723	-	46,723	-	-
Police radio equipment lease	309,922	-	41,076	268,846	42,098
Developer agreement - TIF	1,514,311	-	30,581	1,483,730	31,000
Sales tax refund obligation	191,610	-	63,870	127,740	63,870
* Compensated absences	176,174	111,114	118,125	169,163	100,000
* Other post employment benefits	83,376	-	46,606	36,770	-
Total	<u>\$ 4,557,002</u>	<u>\$ 111,114</u>	<u>\$ 454,905</u>	<u>\$ 4,213,211</u>	<u>\$ 346,110</u>
Business-type Activates:					
Compensated absences	\$ 14,214	\$ 15,089	\$ 17,330	\$ 11,973	\$ 4,500
Other post employment benefits	3,880	-	2,169	1,711	-
Total	<u>\$ 18,094</u>	<u>\$ 15,089</u>	<u>\$ 19,499</u>	<u>\$ 13,684</u>	<u>\$ 4,500</u>

* Primarily liquidated by the General fund in prior years.

A. Certificates of Participation

During fiscal year 2015 the City issued \$2,425,000 Refunding Certificates of Participation to refund the 2009 Certificates of Participation issued for the purpose of reimbursing the Reuse Agreement Fund for costs related to the City's public safety facility. Certain funds in the Reuse Agreement Fund have been made available for the Four Trails Landing Development (Sugarland) project. Principal and interest payments are due semi-annually beginning on August 1, 2015 through February 1, 2034 with principal payments ranging from \$90,000 to \$355,000, and interest rates ranging from 2.00% to 4.25%.

B. Energy Efficiency Loan

During fiscal year 2012, the City entered into a loan agreement with the Missouri Department of Economic Development for the purpose of improving the energy efficiency of City buildings. The total amount of the non-interest bearing loan was \$107,984. For financial reporting, the principal and interest payments were calculated based on the City's imputed interest rate of 3.6%. Principal and interest payments are due semi-annually beginning February 1, 2013 through February 1, 2020 with principal payments ranging from \$4,657 to \$14,197.

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements

September 30, 2018

C. Developer Agreement – Eagle Materials TIF (Formally LaFarge TIF)

During fiscal year 2003, the City entered into a tax increment financing (TIF) agreement to redevelop several structures, including the conversion of an elementary school into an office building, the improvement of an existing ready-mix concrete plant, the addition of sub-surface mining operations, and the construction of related infrastructure necessary to adequately serve the redevelopment area. The City's obligation to repay the related costs of this agreement will be repaid over a period of 23 years, with interest accruing at the rate of 5.9%. This obligation is a special limited obligation of the City, payable only to the extent of available tax increment financing revenues subject to annual appropriations. In 2012, Eagle Materials acquired LaFarge North America.

At September 30, 2018, the total obligation under this agreement was \$1,483,730. The obligation is payable to the extent incremental taxes are available for a period not to exceed 23 years. For the current year, interest payments related to the developer agreement totaled \$82,816. Incremental revenues from the City were \$108,256 in sales taxes, property taxes, and franchise taxes.

D. Sales Tax Refund Obligation

During 2016, the State of Missouri's Department of Revenue (DOR) granted an exemption related to the taxing electrical energy used in the manufacturer of cement. As a result, DOR determined that the City must refund sales taxes totaling \$318,907 that were received over a three year period related to this matter. During the year ended September 30, 2016 the DOR withheld \$127,297 from the City's sales tax distributions leaving an outstanding obligation of \$191,610. The DOR and City entered into an agreement to reduce the financial hardship of the City's remaining obligation. Under the agreement, beginning in October 2017, thirty-six (36) monthly payment of approximately \$5,323 will be withheld from DOR's sales tax distributions to the City.

The future sales tax refund obligation as of September 30, 2018 is as follows:

Year ending September 30:	
2019	\$ 63,870
2020	<u>63,870</u>
	<u>\$ 127,740</u>

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements

September 30, 2018

Future Debt Service Requirements

The estimated annual payments required to retire the City's debt obligations excluding the developer agreement are as follows:

	Certificates of Participation		Energy Loan		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 95,000	\$ 78,380	\$ 14,197	\$ 552	\$ 109,197	\$ 78,932
2020	95,000	76,124	4,657	84	99,657	78,464
2021	100,000	73,561	-	-	100,000	76,124
2022	105,000	70,611	-	-	105,000	73,561
2023	105,000	67,396	-	-	105,000	70,611
2024-2028	580,000	277,765	-	-	580,000	277,765
2028-2033	705,000	148,481	-	-	705,000	148,481
2034	335,000	7,119	-	-	335,000	7,119
Totals	<u>\$ 2,120,000</u>	<u>\$ 799,437</u>	<u>\$ 18,854</u>	<u>\$ 636</u>	<u>\$ 2,138,854</u>	<u>\$ 811,057</u>

Capital Lease Obligations

The City has entered into capital leasing agreements for equipment. The cumulative amount of assets acquired under the capital lease is \$715,085 with related accumulated depreciation of \$196,610 as of September 30, 2018.

The future minimum lease obligation and the net present value of these minimum lease payments as of September 30, 2018 were as follows:

Governmental Activities:	
Year ending September 30:	
2019	\$ 48,793
2020	48,793
2021	48,793
2022	48,793
2023	48,793
Thereafter	48,793
	<u>292,758</u>
Less imputed interest	<u>(23,912)</u>
	<u>\$ 268,846</u>

(9) Cooperative Agreement – Wastewater Treatment System

The City participates with the City of Independence, Missouri and other political subdivisions through a Cooperative Agreement for Reciprocal Sewer Services for the operation of the Rock Creek Wastewater Treatment Plant. Each participating political subdivision pays its share of operating, maintenance, and certain replacement costs as prescribed in the agreement. For the year ended September 30, 2018, the City's portion of the shared costs was \$754,841.

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements

September 30, 2018

(10) Employees Retirement System

A. Plan Description

The City's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The City participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

B. Benefits Provided

LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance.

	<u>2018 Valuation</u>
Benefit Multiplier:	1.75% for life
Final Average Salary:	3 Years
Member Contributions:	0%

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

C. Employees Covered by Benefit Terms

The following employees were covered by the benefit terms:

	<u>General</u>	<u>Police</u>	<u>Fire</u>	<u>Total</u>
Inactive employees or beneficiaries currently receiving benefits	23	16	7	46
Inactive employees entitled to but no yet receiving benefits	16	13	4	33
Active employees	28	15	5	48
	<u>67</u>	<u>44</u>	<u>16</u>	<u>127</u>

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements

September 30, 2018

D. Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer do not contribute to the pension plan. Employer contribution rates are 6.8% (General), 2.1% (Police) and 1.9% (Fire) of annual covered payroll.

E. Net Pension Liability/(Asset)

The City's net pension liability/(asset) was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of February 28, 2018.

F. Actuarial Assumptions

The total pension liability in the February 28, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25% wage inflation; 2.5% price inflation
Salary Increase	3.25% to 6.55% including wage inflation (General and Police)
	3.25% to 7.15% including wage inflation (Fire)
Investment rate of return	7.25%, net of investment and administrative expenses

The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	48.00%	4.81%
Fixed Income	28.50%	1.72%
Real Assets/Real Return	23.50%	3.42%

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements

September 30, 2018

G. Discount Rate

The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

H. Changes in the Net Pension Liability/(Asset)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances at beginning of year	\$ 11,219,171	\$ 12,909,113	\$ (1,689,942)
Changes for the year:			
Service Cost	211,611	-	211,611
Interest	798,105	-	798,105
Difference between expected and actual experience	559,311	-	559,311
Contributions - employer	-	132,911	(132,911)
Net investment income	-	1,652,258	(1,652,258)
Benefit payments, including refunds	(640,780)	(640,780)	-
Administrative expense	-	(9,902)	9,902
Other changes (net transfer)	-	726,969	(726,969)
Net changes	928,247	1,861,456	(933,209)
Balances at end of year	\$ 12,147,418	\$ 14,770,569	\$ (2,623,151)

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements

September 30, 2018

I. Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate

The following presents the Net Pension Liability/(Asset) (as of the employer, calculated using the discount rate of 7.25% for general, police and fire, as well as what the employer's Net Pension Liability/(Asset) would be using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate.

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
Total Pension Liability (TPL)	\$ 13,909,430	\$ 12,147,418	\$ 10,710,569
Plan Fiduciary Net Position	(14,770,569)	(14,770,569)	(14,770,569)
Net Pension Asset	<u>\$ (861,139)</u>	<u>\$ (2,623,151)</u>	<u>\$ (4,060,000)</u>

J. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2018, the City recognized LAGERS pension expense of \$(640,885) ((\$191,402) (General), (\$287,887) (Police) and (\$161,596) (Fire)). The City reported deferred outflows (inflows) related to LAGERS pension from the following sources:

	General	Police	Fire	Total
Deferred Outflows of Resources:				
Assumption changes	\$ 80,244	\$ 8,858	\$ 3,788	\$ 92,890
Difference in experience	3,744	337,891	131,041	472,676
Contributions subsequent to the measurement date *	30,370	2,025	560	32,955
Total	<u>\$ 114,358</u>	<u>\$ 348,774</u>	<u>\$ 135,389</u>	<u>\$ 598,521</u>
Deferred Inflows of Resources:				
Assumption changes	\$ 29,059	\$ -	\$ -	\$ 29,059
Investment returns	255,395	131,712	44,514	431,621
Difference in experience	186,485	31,176	73,908	291,569
Total	<u>\$ 470,939</u>	<u>\$ 162,888</u>	<u>\$ 118,422</u>	<u>\$ 752,249</u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability/(Asset) for the year ending September 30, 2018.

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements

September 30, 2018

Net amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending September 30:	General	Police	Fire	Total
2018-2019	\$ (43,057)	\$ 84,685	\$ 10,458	\$ 52,086
2019-2020	(115,729)	56,368	(4,258)	(63,619)
2020-2021	(149,545)	(3,000)	(21,451)	(173,996)
2021-2022	(78,620)	29,443	3,629	(45,548)
2022-2023	-	16,365	25,385	41,750
Thereafter	-	-	2,644	2,644
Total	\$ (386,951)	\$ 183,861	\$ 16,407	\$ (186,683)

K. Payable to the Pension Plan

At September 30, 2018, the City reported a payable of \$10,426 for the outstanding amount of contributions to the LAGERS pension plan.

L. Summary of financial reporting of the City's pension plan:

	General	Police	Fire	Total
Governmental activities:				
Net Pension Asset	\$ (981,906)	\$ (1,074,702)	\$ (441,415)	\$ (2,498,023)
Business-type activities:				
Net Pension Asset	(125,128)	-	-	(125,128)
Net Pension Asset	<u>\$ (1,107,034)</u>	<u>\$ (1,074,702)</u>	<u>\$ (441,415)</u>	<u>\$ (2,623,151)</u>
Governmental activities:				
Pension related deferred outflow	\$ 101,432	\$ 348,774	\$ 135,389	\$ 585,595
Pension related deferred inflow	(417,709)	(162,888)	(118,422)	(699,019)
Business-type activities:				
Pension related deferred outflow	12,926	-	-	12,926
Pension related deferred inflow	(53,230)	-	-	(53,230)
Total	\$ (356,581)	\$ 185,886	\$ 16,967	\$ (153,728)

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements

September 30, 2018

(11) Other Post-Employment Benefits

A. Plan Description

The City provides for a continuation of medical, prescription drug, hearing and vision insurance benefits to employees that retire from City employment. The City provides retiree healthcare benefits through Midwest Public Risk (MPR), which is a risk pool comprised of approximately 115 entity members. It has been determined that MPR functions as an agent multiple-employer plan. The plan does not issue separate financial statements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board Statement No. 75 (GASB Statement 75).

B. Benefits Provided

The City requires the retirees to pay 135% of the premiums charged to active employees. The rates being paid by retirees for benefits are typically lower than those for individual health insurance policies. (The retiree insurance is guaranteed issue; no medical questionnaire is required.) The difference between these amounts is the implicit rate subsidy, which is considered other post-employment benefits (OPEB) under GASB Statement 75.

Retirees and spouses have the same benefits as active employees. However, all retiree coverage terminates upon Medicare entitlement or payment is not received on a timely basis. When the retiree attains Medicare eligibility age, it may be a COBRA qualifying event for the spouse.

C. Employees Covered by Benefit Terms

As of the July 1, 2017 actuarial valuation, the following employees were covered by the benefit terms:

Inactive members or beneficiaries currently receiving benefit payments	4
Active employees	<u>50</u>
	<u>54</u>

D. Total OPEB Liability

The City's total OPEB liability of \$38,481 was measured as of September 30, 2018 and was determined by an actuarial valuation as of July 1, 2017.

E. Actuarial Assumptions

The total OPEB liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Inflation	2.50%
Salary increase	2.5% (general), 8.5% (police) and 6.0% (fire)
Discount rate	3.73%
Healthcare cost trend rates	7.5% for 2018, decreasing by 0.5% per year through 2021 and then decreasing by 0.25% per year to an ultimate rate of 5.0% for 2025 and later years
Retirees' share of benefit-related costs	135% of plan premiums

The discount rate was based on the S&P Municipal Bond 20 year High Grade and the Fidelity GO AA-20 Years indexes.

CITY OF SUGAR CREEK, MISSOURI

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September 30, 2018

Mortality rates were based on the RP-2014 Mortality tables, as appropriate, with adjustments to reflect the Society of Actuaries RPH-2014 adjusted to 2006 total dataset headcount mortality table with MP-2017 full generational improvement,

The actuarial assumptions used in the July 1, 2017 valuation were based on an experience analysis of the plan's past experience, the actuary's experience with plans of similar size, plan design, retiree and spouse contribution level and assumptions used in the City's participation in the corresponding pension plan through LAGERS, as applicable.

F. Change in the Total OPEB Liability

	Total OPEB Liability
Balances at beginning of year	<u>\$ 87,256</u>
Changes for the year:	
Service cost	6,832
Interest	3,124
Changes in benefit terms	(25,696)
Changes in assumptions and other inputs	(27,035)
Benefit payments, net of contributions	<u>(6,000)</u>
Net changes	<u>(48,775)</u>
Balances at end of year	<u><u>\$ 38,481</u></u>

G. Sensitivity of the total OPEB Liability to Changes in the Discount Rate

The following presents the OPEB Liability of the Library, calculated using the discount rate of 3.73%, as well as what the Library's OPEB Liability would be using a discount rate that is 1 percentage point lower (2.73%) or one percentage point higher (4.73%) than the current rate.

	1% Decrease 2.73%	Discount Rate 3.73%	1% Increase 4.73%
Total OPEB liability	<u>\$ 42,484</u>	<u>\$ 38,481</u>	<u>\$ 34,939</u>

H. Sensitivity of the total OPEB Liability to Changes in the healthcare cost trend rates

The following presents the OPEB Liability of the Library, calculated using the healthcare cost trend rate of 7.5%, as well as what the City's OPEB Liability would be using a discount rate that is 1 percentage point lower (6.5% decreasing to 4%) or one percentage point higher (8.5% decreasing to 6%) than the current rate.

	1% Decrease (6.5% decreasing to 4%)	Discount Rate (7.5% decreasing to 5%)	1% Increase (8.5% decreasing to 6%)
Total OPEB liability	<u>\$ 33,234</u>	<u>\$ 38,481</u>	<u>\$ 45,061</u>

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements

September 30, 2018

I. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2018, the City recognized OPEB expense of \$(17,671). The City reported deferred inflows related to OPEB from the following sources:

	Deferred Inflows of Resources
Changes in assumptions	<u>\$ 25,103</u>
Total	<u><u>\$ 25,103</u></u>

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending September 30:	<u>Total</u>
2018-2019	\$ (1,931)
2019-2020	(1,931)
2020-2021	(1,931)
2021-2022	(1,931)
2022-2023	(1,931)
Thereafter	<u>(15,448)</u>
Total	<u><u>\$ (25,103)</u></u>

(12) Commitments and Contingencies

A. Insurance

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City is a member of the Midwest Public Risk (MPR), formerly Mid-America Regional Council Insurance Trust, a not-for-profit corporation consisting of local governments and political subdivisions. MPR was formed as a public entity risk retention pool to cover health and dental, workers compensation, and property and casualty claims for its members. MPR has been established as assessable pools and accounting records are maintained for each line of coverage on a policy-year basis. The City pays annual premiums to MPR for all coverage. The agreement with MPR provides that MPR will be self-sustaining through member premiums. MPR has the authority to assess members for any deficiencies of revenues under expenses for any single plan year. Likewise, MPR has the authority to declare refunds to members for the excess of revenues over expenses relating to any single plan year. The City continues to carry commercial insurance for employee life insurance and short-term disability. The amount of settlements has not exceeded the City's insurance coverage in any of the past three fiscal years.

B. Federal and State Grants

The City has received financial assistance from various federal, state, and local agencies in the form of grants and entitlements. These programs are subject to audit by agents of the granting authority. Management does not believe that liabilities for reimbursements, if any, will have a materially adverse effect upon the financial condition of the City.

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements

September 30, 2018

C. Litigation

The City is involved in legal proceedings arising from the ordinary course of City activities. While these proceedings may have future financial effect, management believes that their ultimate outcome will not be material to the basic financial statements.

D. Conduit Debt

In a prior year, the City issued Taxable Industrial Development Revenue Bonds (bonds) for the purpose of providing funds to purchase, construct, install, and equip a cement manufacturing facility, a subordinate limestone mining facility, and certain transportation and distribution improvements (the Project). In 2003, the City issued \$150,000,000 Taxable Industrial Revenue Bonds to refund the previous bonds. Along with the issuance of the refunding bonds, the City amended the existing development and lease agreement with LaFarge Corporation to develop and lease the project. The amended project lease payments are equal to the principal and interest on the bonds plus an additional lease payment of \$50,000 per year beginning in 2004 plus certain payments in lieu of taxes. The bonds and the interest are limited obligations of the City payable solely out of the payments, revenues, and receipts derived by the City from the lease agreement. As the City is only contingently liable for repayment, the bond and the related lease are not recorded on the City's books.

As of September 30, 2018, the aggregate principal amount payable on the bonds was \$103,000,000. During November 2012, Eagle Material purchased the Lafarge Sugar Creek assets and the Mayor and Board of Aldermen approved transferring the Agreement and bonds to Eagle Materials. \$47,000,000 of the tax exempt Bonds were paid in full by Lafarge at closing.

(13) Tax Abatements

Tax abatements may be granted under the Urban Redevelopment program described under Chapter 353 of the RSMo, the Industrial Development program described under Chapter 100 of RSMo, and the Enhanced Enterprise Zone program described under Sections 135.950 to 135.973 of RSMo. For each of these programs, property taxes are abated by reducing the assessed valuation of the associated properties. For the fiscal year ended September 30, 2018, management has determined that any tax abatements are not significant or material to the City's financial position.

(14) Change in Accounting Principle

The beginning net position of the City's governmental activities and enterprise fund/business activities were restated due to the City's implementation of GASB Statement No. 75 . *Accounting for Financial Reporting for Postemployment Benefits Other Than Pensions.*

	Governmental Activities	Business Type Activities / Enterprise Fund
Net Position, beginning of year, as previously reported	\$ 18,988,544	\$ 1,915,347
Changes in accounting and reporting related to OPEB	<u>38,321</u>	<u>1,784</u>
Net Position, beginning of year, as restated	<u>\$ 19,026,865</u>	<u>\$ 1,917,131</u>

(15) Subsequent Events

The City evaluated subsequent events through March 26, 2019, the date the financial statements were available to be issued. No events have occurred that required adjustment to or disclosure in the financial statements.

CITY OF SUGAR CREEK, MISSOURI

Required Supplementary Information
September 30, 2018

Required supplementary information includes financial information and disclosures that are required by GASB but are not considered a part of the basic financial statements.

Such information includes:

- Schedule of Revenues, Expenditures, and Changes in Fund Balances . Budget and Actual . General Fund
- Schedule of Revenues, Expenditures, and Changes in Fund Balances . Budget and Actual . Public Health Fund
- Schedule of Changes in Net Pension Liability/(Asset) and Related Ratios
- Schedule of Employer Contributions
- Schedule of Changes in Net OPEB Liability and Related Ratios

Budgetary Process

The City prepares an annual operating budget for all Governmental Fund Types using the modified accrual basis of accounting and does not utilize encumbrance accounting. The reported budgetary data represent the final approved budget after amendments as adopted by the Board of Aldermen. The Board of Aldermen utilizes the following procedures in establishing the budgetary data reflected in the general purpose financial statements:

- (1) Prior to September 1, the City Administrator submits to the Board of Aldermen a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- (2) Public hearings are conducted to obtain taxpayer comments.
- (3) Prior to October 1, the budget is legally enacted through passage of an ordinance.
- (4) The legal level of control for the budget is at the fund level, and City management cannot amend the budget without the approval of the Board of Aldermen. However, the City Finance Director has the authority to transfer budgeted amounts between departments within any fund. The Board of Aldermen must approve any revision that alters the total budgeted expenditures of any fund. Unexpended appropriations lapse at year-end.

Schedule 1

CITY OF SUGAR CREEK, MISSOURI
Required Supplementary Information
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
General Fund
Year Ended September 30, 2018

	2018			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 4,367,383	\$ 4,367,383	\$ 4,668,032	\$ 300,649
Intergovernmental	70,367	70,367	55,901	(14,466)
Rentals	62,895	62,895	65,349	2,454
Fines and forfeitures	258,500	258,500	429,245	170,745
Payment in lieu of taxes	30,462	30,462	21,890	(8,572)
Contractual agreements	90,000	90,000	68,787	(21,213)
Licenses, permits, and fees	86,505	86,505	182,336	95,831
Interest	12,300	12,300	32,706	20,406
Charges for services	20,900	20,900	37,025	16,125
Other	180,780	180,780	90,775	(90,005)
Total Revenues	<u>5,180,092</u>	<u>5,180,092</u>	<u>5,652,046</u>	<u>471,954</u>
Expenditures:				
Current:				
General administration	1,559,517	1,617,789	1,558,686	59,103
Public safety	2,314,122	2,493,237	2,398,933	94,304
Streets and public works	930,154	1,071,554	799,920	271,634
Parks and recreation	259,522	275,421	243,709	31,712
Debt Service:				
Principal	45,410	45,410	101,498	(56,088)
Interest and fiscal charges	17,800	17,800	13,117	4,683
Total Expenditures	<u>5,126,525</u>	<u>5,521,211</u>	<u>5,115,863</u>	<u>405,348</u>
Excess of Revenues Over (Under) Expenditures	<u>53,567</u>	<u>(341,119)</u>	<u>536,183</u>	<u>877,302</u>
Other Financing Sources (Uses):				
Transfers out	(11,000)	(11,000)	-	11,000
Sale of capital assets	-	-	35,879	35,879
Total Other Financing Sources (Uses)	<u>(11,000)</u>	<u>(11,000)</u>	<u>35,879</u>	<u>46,879</u>
Change in fund balance	<u>\$ 42,567</u>	<u>\$ (352,119)</u>	<u>572,062</u>	<u>\$ 924,181</u>
Fund Balances, Beginning of Year			4,147,001	
Budget to GAAP adjustment			<u>(31,938)</u>	
Fund Balances, End of Year			<u>\$ 4,687,125</u>	
Reconciliation of budgetary expenditures to GAAP expenditures				
Expenditures-Budget Basis			\$ 5,115,863	
Sales taxes/Claims			<u>31,938</u>	
Expenditures GAAP basis			<u>\$ 5,147,801</u>	

CITY OF SUGAR CREEK, MISSOURI
Required Supplementary Information
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Public Health Fund
Year Ended September 30, 2018

	2018			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 87,837	\$ 87,837	\$ 58,650	\$ (29,187)
Interest	3,700	3,700	11,396	7,696
Total Revenues	<u>91,537</u>	<u>91,537</u>	<u>70,046</u>	<u>(21,491)</u>
Expenditures:				
Health and welfare	13,140	61,556	61,514	42
Total Expenditures	<u>13,140</u>	<u>61,556</u>	<u>61,514</u>	<u>42</u>
Excess of Revenues Over (Under) Expenditures	<u>78,397</u>	<u>29,981</u>	<u>8,532</u>	<u>(21,449)</u>
Other Financing Sources (Uses):				
Transfers out	-	(50,000)	(50,000)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Change in fund balance	<u>\$ 78,397</u>	<u>\$ (20,019)</u>	(41,468)	<u>\$ (21,449)</u>
Fund Balances, Beginning of Year			<u>970,005</u>	
Fund Balances, End of Year			<u>\$ 928,537</u>	

CITY OF SUGAR CREEK, MISSOURI
Required Supplementary Information
Schedule of Changes in Net Pension Liability (Assets) and Related Ratios
Year Ended September 30, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability				
Service costs	\$ 211,611	\$ 216,816	\$ 163,872	\$ 164,061
Interest on total pension liability	798,105	779,055	640,481	632,399
Changes in benefit terms	-	-	1,560,096	-
Difference between expected and actual experience of the total pension liability	559,311	(213,315)	(367,269)	(332,242)
Changes of assumptions	-	(57,639)	326,407	-
Benefit payments and refunds	(640,780)	(410,129)	(339,917)	(364,938)
Net change in total pension liability	<u>928,247</u>	<u>314,788</u>	<u>1,983,670</u>	<u>99,280</u>
Total pension liability - beginning of year	<u>11,219,171</u>	<u>10,904,383</u>	<u>8,920,713</u>	<u>8,821,433</u>
Total pension liability - end of year (a)	<u>\$ 12,147,418</u>	<u>\$ 11,219,171</u>	<u>\$ 10,904,383</u>	<u>\$ 8,920,713</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 132,911	\$ 144,144	\$ 106,226	\$ 97,371
Net investment income	1,652,258	1,426,924	(23,782)	244,577
Benefit payments and refunds	(640,780)	(410,129)	(339,917)	(364,938)
Administrative expenses	(9,902)	(9,187)	(9,001)	(9,692)
Other (net transfer)	726,969	25,222	(343,117)	132,221
Net change in plan fiduciary net position	<u>1,861,456</u>	<u>1,176,974</u>	<u>(609,591)</u>	<u>99,539</u>
Plan fiduciary net position - beginning of year	<u>12,909,113</u>	<u>11,732,139</u>	<u>12,341,730</u>	<u>12,242,191</u>
Plan fiduciary net position - end of year (b)	<u>\$ 14,770,569</u>	<u>\$ 12,909,113</u>	<u>\$ 11,732,139</u>	<u>\$ 12,341,730</u>
Net pension liability/(asset) (a) - (b)	<u>\$ (2,623,151)</u>	<u>\$ (1,689,942)</u>	<u>\$ (827,756)</u>	<u>\$ (3,421,017)</u>
Plan net position as a percentage of the total pension liability	121.59%	115.06%	107.59%	138.35%
Covered payroll	2,005,474	2,116,052	2,095,185	2,034,865
Net pension liability/(asset) as a percentage of covered payroll	-130.80%	-79.86%	-39.51%	-168.12%

GASB 68 requires presentation of ten years. As of September 30, 2018, only four years of information is available.

**City of Sugar Creek, Missouri
Required Supplementary Information
Schedule of Employer Contributions
Year Ended September 30, 2018**

LAGERS (General, Police and Fire)

Fiscal Year	Actuarially Determined Contribution	Contribution in Relation	Contribution Deficiency	Covered Payroll	Contribution as Percentage
2009	\$ 70,413	\$ 70,413	\$ -	\$ 2,244,057	3.14%
2010	63,791	63,791	-	2,233,706	2.86%
2011	137,069	86,693	50,376	2,233,630	3.88%
2012	137,356	104,964	32,392	2,227,019	4.71%
2013	119,375	116,862	2,513	2,163,260	5.40%
2014	114,077	114,077	-	2,161,899	5.28%
2015	94,123	94,123	-	2,078,524	4.53%
2016	128,248	128,248	-	2,230,685	5.75%
2017	141,180	141,180	-	2,145,353	6.58%
2018	118,919	118,919	-	2,107,751	5.64%

City of Sugar Creek, Missouri
Required Supplementary Information
Notes to Schedule of Contributions
Year Ended September 30, 2018

Lagers

Valuation Date February 28, 2018

Notes: The roll-forward of total pension liability from February 28, 2018 to June 30, 2018 reflects expected service cost and interest reduced by actual benefit payments.

Methods and assumptions used to determine contributions rates:

Actuarial cost method Entry Age Normal and Modified Terminal Funding

Amortization method A level percentage of payroll amortization method is used to amortize the UAAL over a closer period of years. If the UAAL (excluding the UAAL associated with benefit changes) is negative, then this amount is amortized over the greater of (i) the remaining initial amortization period or (ii) 15 years.

Remaining amortization period Multiple bases from 15 to 17 years

Asset valuation method 5-year smoothed market; 20% corridor

Inflation assumption 3.25% wage inflation; 2.5% price inflation

Salary increases 3.25% to 6.55% including wage inflation (General and Police)
3.25% to 7.15% including wage inflation (Fire)

Investment rate of return 7.25%, net of investment and administrative expenses

Retirement age Experienced-based table of rates that are specific to the type of eligibility condition

Mortality The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables

Other information None

City of Sugar Creek, Missouri
Required Supplementary Information
Schedule of Changes in Net OPEB Liability
and Related Ratios*

	2018
Total OPEB Liability	
Service costs	\$ 6,832
Interest on total OPEB liability	3,124
Changes in benefit terms	(25,696)
Changes of assumptions	(27,035)
Benefit payments and refunds	(6,000)
Net change in total pension liability	(48,775)
Total OPEB liability - beginning of year	87,256
Total OPEB liability - end of year	\$ 38,481
 Covered employee payroll**	 \$ 2,381,447
 OPEB liability as a percentage of covered payroll	 1.62%

* GASB 75 requires presentation of ten years. As of September 30, 2018, only one year was available.

** Covered payroll is measured as of the measurement date ending September 30 of the current year.

Notes to Schedule:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75

**COMBINING INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

NON-MAJOR FUNDS

Special Revenue Funds are used to account for specific revenues, which are legally restricted to expenditure for particular purposes.

The Reuse Agreement Fund – used to account for the City's reuse agreement revenues from BP Products of North America, Inc.

Capital Improvement Sales Tax Fund – used to account for the City's ½ cent sales tax for capital improvements.

Parks and Recreation Sales Tax Fund – used to account for the City's ¼ cent sales tax for park improvements.

Stormwater Sales Tax Fund – used to account for the City's ¼ cent sales tax for stormwater improvements.

State Gasoline Tax Fund . used to account for the City's share of motor vehicle fuel, sales and license tax revenues and grant revenues and expenditures related to the Lewis and Clark Expressway project.

Capital Project Funds account for resources used for the acquisition and/or construction of capital facilities, except facilities accounted for in Enterprise Funds.

Capital Improvement Fund . used to account for major capital improvement projects.

Revolving Improvement Fund – used to account for special assessments on City and resident properties.

Debt Service Funds account for resources used for the repayment of debt.

Certificates of Participation – used to account for activity related to the Series 2009 Certificates of Participation.

Debt Service Fund – Eagle Materials TIF – used to account for the tax increment financing revenues and the related TIF obligation to Eagle Materials.

CITY OF SUGAR CREEK, MISSOURI
Combining Balance Sheet - Non-major Governmental Funds
September 30, 2018

	Combined Special Revenue Funds	Capital Projects Funds		Debt Service Funds		Totals
		Capital Improvement	Revolving Improvement	Certificates of Participation	TIF Fund	
Assets						
Pooled cash and investments	\$ 1,757,502	\$ 56,256	\$ 117,523	\$ -	\$ 18,099	\$ 1,949,380
Receivables:						
Taxes	47,589	-	-	-	-	47,589
Accrued interest	5,855	7	436	-	-	6,298
Due from other governments	22,846	-	-	-	24,701	47,547
Due from other funds	-	-	-	-	58,016	58,016
Restricted assets - cash and cash investments	244,005	-	-	180,201	-	424,206
Total Assets	<u>\$ 2,077,797</u>	<u>\$ 56,263</u>	<u>\$ 117,959</u>	<u>\$ 180,201</u>	<u>\$ 100,816</u>	<u>\$ 2,533,036</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	\$ 4,277	\$ -	\$ -	\$ -	\$ -	\$ 4,277
Due to other funds	27,675	-	-	-	-	27,675
Total Liabilities	<u>31,952</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,952</u>
Deferred inflows of resources						
Unavailable revenues - other	-	-	-	-	24,701	24,701
Fund balances						
Restricted:						
Capital projects	1,177,315	-	-	-	-	1,177,315
Debt service	-	-	-	180,201	76,115	256,316
Parks and recreation	560,725	-	-	-	-	560,725
Community development	204,372	-	-	-	-	204,372
Streets and public works	103,433	-	-	-	-	103,433
Assigned:						
Capital projects	-	56,263	117,959	-	-	174,222
Total fund balances	<u>2,045,845</u>	<u>56,263</u>	<u>117,959</u>	<u>180,201</u>	<u>76,115</u>	<u>2,476,383</u>
Total liabilities and fund balances	<u>\$ 2,077,797</u>	<u>\$ 56,263</u>	<u>\$ 117,959</u>	<u>\$ 180,201</u>	<u>\$ 100,816</u>	<u>\$ 2,533,036</u>

CITY OF SUGAR CREEK, MISSOURI
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
Year Ended September 30, 2018

	Combined Special Revenue Funds	Capital Projects Funds		Debt Service Funds		Totals
		Capital Improvement	Revolving Improvement	Certificates of Participation	TIF Fund	
Revenues:						
Taxes	\$ 379,048	\$ -	\$ -	\$ -	\$ 108,256	\$ 487,304
Intergovernmental	134,955	-	-	-	21,285	156,240
Interest	15,636	181	1,773	2,205	36	19,831
	<u>529,639</u>	<u>181</u>	<u>1,773</u>	<u>2,205</u>	<u>129,577</u>	<u>663,375</u>
Expenditures:						
Current:						
General administration	-	-	-	-	587	587
Streets and public works	142,866	-	-	-	-	142,866
Economic development	-	-	-	-	-	-
Parks and recreation	20,508	-	-	-	-	20,508
Debt service:						
Principal	-	-	-	95,000	30,581	125,581
Interest and fiscal charges	-	-	-	80,399	51,648	132,047
Claims	31,932	-	-	-	-	31,932
	<u>195,306</u>	<u>-</u>	<u>-</u>	<u>175,399</u>	<u>82,816</u>	<u>453,521</u>
Excess of Revenues Over (Under) Expenditures	334,333	181	1,773	(173,194)	46,761	209,854
Other financing sources (uses):						
Transfers in	-	-	-	174,905	-	174,905
Transfers out	(174,905)	-	-	-	-	(174,905)
Total Other Financing Sources (Uses)	<u>(174,905)</u>	<u>-</u>	<u>-</u>	<u>174,905</u>	<u>-</u>	<u>-</u>
Change in fund balance	159,428	181	1,773	1,711	46,761	209,854
Fund Balances, Beginning of Year	<u>1,886,417</u>	<u>56,082</u>	<u>116,186</u>	<u>178,490</u>	<u>29,354</u>	<u>2,266,529</u>
Fund Balances, End of Year	<u>\$ 2,045,845</u>	<u>\$ 56,263</u>	<u>\$ 117,959</u>	<u>\$ 180,201</u>	<u>\$ 76,115</u>	<u>\$ 2,476,383</u>

CITY OF SUGAR CREEK, MISSOURI
Combining Balance Sheet - Non-major Special Revenue Funds
September 30, 2018

	Reuse Agreement	Capital Improvement Sales Tax	Parks and Recreation Sales Tax	Stormwater Sales Tax	State Gasoline Tax	Totals
Assets						
Pooled cash and investments	\$ -	\$ 372,264	\$ 558,925	\$ 785,359	\$ 40,954	\$ 1,757,502
Receivables:						
Taxes	-	23,795	11,897	11,897	-	47,589
Accrued interest	-	1,909	1,099	2,847	-	5,855
Due from other governments	-	-	-	-	22,846	22,846
Restricted assets - cash and cash investments	204,372	-	-	-	39,633	244,005
Total Assets	<u>\$ 204,372</u>	<u>\$ 397,968</u>	<u>\$ 571,921</u>	<u>\$ 800,103</u>	<u>\$ 103,433</u>	<u>\$ 2,077,797</u>
Liabilities						
Accounts payable	\$ -	\$ -	\$ 4,277	\$ -	\$ -	\$ 4,277
Due to other funds	-	13,837	6,919	6,919	-	27,675
Total Liabilities	<u>-</u>	<u>13,837</u>	<u>11,196</u>	<u>6,919</u>	<u>-</u>	<u>31,952</u>
Fund balances						
Restricted:						
Capital projects	-	384,131	-	793,184	-	1,177,315
Parks and recreation	-	-	560,725	-	-	560,725
Community development	204,372	-	-	-	-	204,372
Streets and public works	-	-	-	-	103,433	103,433
Total fund balances	<u>204,372</u>	<u>384,131</u>	<u>560,725</u>	<u>793,184</u>	<u>103,433</u>	<u>2,045,845</u>
Total liabilities and fund balances	<u>\$ 204,372</u>	<u>\$ 397,968</u>	<u>\$ 571,921</u>	<u>\$ 800,103</u>	<u>\$ 103,433</u>	<u>\$ 2,077,797</u>

CITY OF SUGAR CREEK, MISSOURI
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Special Revenue Funds
Year Ended September 30, 2018

	Reuse Agreement	Capital Improvement Sales Tax	Parks and Recreation Sales Tax	Stormwater Sales Tax	State Gasoline Tax	Totals
Revenues:						
Taxes	\$ -	\$ 189,524	\$ 94,762	\$ 94,762	\$ -	\$ 379,048
Intergovernmental	-	-	-	-	134,955	134,955
Interest	-	5,914	3,564	6,158	-	15,636
	<u>-</u>	<u>195,438</u>	<u>98,326</u>	<u>100,920</u>	<u>134,955</u>	<u>529,639</u>
Expenditures:						
Current:						
Streets and public works	-	-	-	16,794	126,072	142,866
Parks and recreation	-	-	20,508	-	-	20,508
Debt service:						
Claims	-	15,966	7,983	7,983	-	31,932
	<u>-</u>	<u>15,966</u>	<u>28,491</u>	<u>24,777</u>	<u>126,072</u>	<u>195,306</u>
Excess of Revenues Over (Under) Expenditures	-	179,472	69,835	76,143	8,883	334,333
Other financing sources (uses):						
Transfers out	-	(174,905)	-	-	-	(174,905)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(174,905)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(174,905)</u>
Change in fund balance	-	4,567	69,835	76,143	8,883	159,428
Fund Balances, Beginning of Year	<u>204,372</u>	<u>379,564</u>	<u>490,890</u>	<u>717,041</u>	<u>94,550</u>	<u>1,886,417</u>
Fund Balances, End of Year	<u>\$ 204,372</u>	<u>\$ 384,131</u>	<u>\$ 560,725</u>	<u>\$ 793,184</u>	<u>\$ 103,433</u>	<u>\$ 2,045,845</u>

CITY OF SUGAR CREEK, MISSOURI
Reuse Agreement
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended September 30, 2018

	2018		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Interest	\$ 1,500	\$ 1,500	\$ -	\$ (1,500)
Total Revenues	<u>1,500</u>	<u>1,500</u>	<u>-</u>	<u>(1,500)</u>
Expenditures:				
Economic development	5	5	-	5
Total Expenditures	<u>5</u>	<u>5</u>	<u>-</u>	<u>5</u>
Excess of Revenues Over Expenditures	<u>1,495</u>	<u>1,495</u>	<u>-</u>	<u>(1,495)</u>
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	<u>\$ 1,495</u>	<u>\$ 1,495</u>	<u>-</u>	<u>\$ (1,495)</u>
Fund Balance, Beginning of Year			<u>204,372</u>	
Fund Balance, End of Year			<u>\$ 204,372</u>	

CITY OF SUGAR CREEK, MISSOURI
Capital Improvement Sales Tax Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended September 30, 2018

	2018		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Taxes	\$ 107,000	\$ 107,000	\$ 189,524	\$ 82,524
Interest	1,000	1,000	5,914	4,914
Total Revenues	<u>108,000</u>	<u>108,000</u>	<u>195,438</u>	<u>87,438</u>
Expenditures:				
Streets and public works	10	10	-	10
Total Expenditures	<u>10</u>	<u>10</u>	<u>-</u>	<u>10</u>
Excess of Revenues Over Expenditures	<u>107,990</u>	<u>107,990</u>	<u>195,438</u>	<u>87,448</u>
Other Financing (Uses):				
Transfers Out	(176,349)	(176,349)	(174,905)	1,444
Total Other Financing (Uses)	<u>(176,349)</u>	<u>(176,349)</u>	<u>(174,905)</u>	<u>1,444</u>
Change in fund balance	<u>\$ (68,359)</u>	<u>\$ (68,359)</u>	20,533	<u>\$ 88,892</u>
Fund Balance, Beginning of Year			379,564	
Budget to GAAP adjustment			<u>(15,966)</u>	
Fund Balance, End of Year			<u>\$ 384,131</u>	
Reconciliation of budgetary expenditures to GAAP expenditures				
Expenditures-Budget Basis			\$ -	
Sales taxes/Claims			<u>15,966</u>	
Expenditures GAAP basis			<u>\$ 15,966</u>	

CITY OF SUGAR CREEK, MISSOURI
Parks and Recreation Sales Tax
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended September 30, 2018

	2018		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Taxes	\$ 55,000	\$ 55,000	\$ 94,762	\$ 39,762
Intergovernmental	250,000	250,000	-	(250,000)
Interest	1,000	-	3,564	3,564
Total Revenues	<u>306,000</u>	<u>305,000</u>	<u>98,326</u>	<u>(206,674)</u>
Expenditures:				
Parks and recreation	500,020	500,020	20,508	479,512
Total Expenditures	<u>500,020</u>	<u>500,020</u>	<u>20,508</u>	<u>479,512</u>
Excess of Revenues Over (Under) Expenditures	<u>(194,020)</u>	<u>(195,020)</u>	<u>77,818</u>	<u>272,838</u>
Other Financing Sources:				
Transfers in	50,000	50,000	-	(50,000)
Transfers out	-	-	-	-
Total Other Financing Sources	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>
Change in Fund Balance	<u>\$ (144,020)</u>	<u>\$ (145,020)</u>	77,818	<u>\$ 222,838</u>
Fund Balance, Beginning of Year			490,890	
Budget to GAAP adjustment			<u>(7,983)</u>	
Fund Balance, End of Year			<u>\$ 560,725</u>	
Reconciliation of budgetary expenditures to GAAP expenditures				
Expenditures-Budget Basis			\$ 20,508	
Sales taxes/Claims			7,983	
Expenditures GAAP basis			<u>\$ 28,491</u>	

CITY OF SUGAR CREEK, MISSOURI
Stormwater Sales Tax
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended September 30, 2018

	2018			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 55,000	\$ 55,000	\$ 94,762	\$ 39,762
Interest	1,000	1,000	6,158	5,158
Total Revenues	<u>56,000</u>	<u>56,000</u>	<u>100,920</u>	<u>44,920</u>
Expenditures:				
Streets and public works	-	-	16,794	(16,794)
Total Expenditures	<u>-</u>	<u>-</u>	<u>16,794</u>	<u>(16,794)</u>
Excess of Revenues Over Expenditures	<u>\$ 56,000</u>	<u>\$ 56,000</u>	84,126	<u>\$ 28,126</u>
Fund Balance, Beginning of Year			717,041	
Budget to GAAP adjustment			<u>(7,983)</u>	
Fund Balance, End of Year			<u>\$ 793,184</u>	
Reconciliation of budgetary expenditures to GAAP expenditures				
Expenditures-Budget Basis			\$ 16,794	
Sales taxes/Claims			<u>7,983</u>	
Expenditures GAAP basis			<u>\$ 24,777</u>	

CITY OF SUGAR CREEK, MISSOURI
State Gasoline Tax Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended September 30, 2018

	2018		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Intergovernmental	\$ 119,000	\$ 119,000	\$ 134,955	\$ 15,955
Total Revenues	<u>119,000</u>	<u>119,000</u>	<u>134,955</u>	<u>15,955</u>
Expenditures:				
Street and public works	130,000	130,000	126,072	3,928
Total Expenditures	<u>130,000</u>	<u>130,000</u>	<u>126,072</u>	<u>3,928</u>
Excess of Revenues Over Expenditures	<u>(11,000)</u>	<u>(11,000)</u>	<u>8,883</u>	<u>19,883</u>
Change in Fund Balance	<u>\$ (11,000)</u>	<u>\$ (11,000)</u>	8,883	<u>\$ 19,883</u>
Fund Balance, Beginning of Year			<u>94,550</u>	
Fund Balance, End of Year			<u>\$ 103,433</u>	

CITY OF SUGAR CREEK, MISSOURI
Capital Improvement Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended September 30, 2018

	2018			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Interest	\$ 200	\$ 200	\$ 181	\$ (19)
Total Revenues	<u>200</u>	<u>200</u>	<u>181</u>	<u>(19)</u>
Expenditures:				
General administration	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>200</u>	<u>200</u>	<u>181</u>	<u>(19)</u>
Change in Fund Balance	<u>\$ 200</u>	<u>\$ 200</u>	181	<u>\$ (19)</u>
Fund Balance, Beginning of Year			<u>56,082</u>	
Fund Balance, End of Year			<u>\$ 56,263</u>	

CITY OF SUGAR CREEK, MISSOURI
Revolving Improvement Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended September 30, 2018

	2018		Actual	Variance with Final Budget (Negative)
	Budget	Budget		
Revenues:				
Interest	\$ 200	\$ 200	\$ 1,773	\$ 1,573
Total Revenues	<u>200</u>	<u>200</u>	<u>1,773</u>	<u>1,573</u>
Expenditures:				
General administration	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>\$ 200</u>	<u>\$ 200</u>	1,773	<u>\$ 1,573</u>
Fund Balance, Beginning of Year			<u>116,186</u>	
Fund Balance, End of Year			<u>\$ 117,959</u>	

CITY OF SUGAR CREEK, MISSOURI
Certificates of Participation Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended September 30, 2018

	2018		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Interest	\$ -	\$ -	\$ 2,205	\$ 2,205
Total Revenues	<u>-</u>	<u>-</u>	<u>2,205</u>	<u>2,205</u>
Expenditures:				
Debt service	175,399	175,399	175,399	-
Total Expenditures	<u>175,399</u>	<u>175,399</u>	<u>175,399</u>	<u>-</u>
Excess of Revenues (Under) Expenditures	<u>(175,399)</u>	<u>(175,399)</u>	<u>(173,194)</u>	<u>2,205</u>
Other Financing Sources:				
Transfers in	176,349	176,349	174,905	(1,444)
Transfers out	-	-	-	-
Total Other Financing Sources	<u>176,349</u>	<u>176,349</u>	<u>174,905</u>	<u>(1,444)</u>
Change in Fund Balance	<u>\$ 950</u>	<u>\$ 950</u>	1,711	<u>\$ 761</u>
Fund Balance, Beginning of Year			<u>178,490</u>	
Fund Balance, End of Year			<u>\$ 180,201</u>	

CITY OF SUGAR CREEK, MISSOURI
TIF Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended September 30, 2018

	2018			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 93,200	\$ 93,200	\$ 108,256	\$ 15,056
Intergovernmental	-	-	21,285	21,285
Interest	2,000	-	36	36
Total Revenues	<u>95,200</u>	<u>93,200</u>	<u>129,577</u>	<u>36,377</u>
Expenditures:				
General government	-	-	587	(587)
Debt service	120,000	120,000	82,229	37,771
Total Expenditures	<u>120,000</u>	<u>120,000</u>	<u>82,816</u>	<u>37,184</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (24,800)</u>	<u>\$ (26,800)</u>	46,761	<u>\$ 73,561</u>
Fund Balance, Beginning of Year			<u>29,354</u>	
Fund Balance, End of Year			<u>\$ 76,115</u>	

STATISTICAL SECTION ***(Unaudited)***

The statistical data relate to the physical, economic, social, and political characteristics of the City. Its design is to provide a broader and more complete understanding of the City and its financial affairs than is possible from the financial statements, notes, and supporting schedules presented in the Financial Section

STATISTICAL SECTION

This part of the City of Sugar Creek's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Tables</u>
Financial Trends	1 - 4
These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	5 - 10
These tables contain information to help the reader assess the City's most significant local revenue sources, franchise taxes and property taxes .	
Debt Capacity	11 - 14
These tables present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future	
Demographic and Economic Information	15 - 16
These tables offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	17 - 19
These tables contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these tables are derived from the comprehensive annual financial reports for the relevant year.

City of Sugar Creek
 Net position by Component
 Last Ten Fiscal Years
 (accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015 (1)	2016	2017	2018
Governmental activities										
Net, investment in capital assets	\$ 7,110,615	7,652,024	7,183,512	7,973,473	8,576,100	9,251,634	9,367,544	10,992,016	10,937,792	10,262,382
Restricted	3,999,319	4,308,600	4,547,389	3,846,762	4,271,522	3,939,339	6,785,380	4,757,421	5,588,655	6,467,310
Unrestricted	1,928,854	(580,644)	(473,272)	(870,455)	(740,192)	(946,527)	822,658	1,455,705	2,500,418	3,263,996
Total governmental activities net position	\$ 13,038,788	11,379,980	11,257,629	10,949,780	12,107,430	12,244,446	16,975,582	17,205,142	19,026,865	19,993,688
Business-type activities	\$									
Net, investment in capital assets	904,596	1,103,752	1,048,026	1,044,329	1,070,965	1,029,937	1,015,783	973,177	917,634	854,171
Restricted	-	-	-	-	-	-	302,897	69,810	52,642	84,824
Unrestricted	824,090	875,001	878,480	829,520	787,110	746,114	921,400	1,006,729	946,855	779,317
Total business-type activities net position	\$ 1,728,686	1,978,753	1,926,506	1,873,849	1,858,075	1,776,051	2,240,080	2,049,716	1,917,131	1,718,312
Primary government										
Net, investment in capital assets	\$ 8,015,211	8,755,776	8,231,538	9,017,802	9,647,065	10,281,571	10,383,327	11,965,193	11,855,426	11,116,553
Restricted	3,999,319	4,308,600	4,547,389	3,846,762	4,271,522	3,939,339	7,088,277	4,827,231	5,641,297	6,552,134
Unrestricted	2,752,944	294,357	405,208	(40,935)	46,918	(200,413)	1,744,058	2,462,434	3,447,273	4,043,313
Total primary government net position	\$ 14,767,474	13,358,733	13,184,135	12,823,629	13,965,505	14,020,497	19,215,662	19,254,858	20,943,996	21,712,000

(1) The City recorded a special item related to forgiveness of debt totaling approximately \$2.0 million.

City of Sugar Creek
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities:										
General Administration	\$ 1,350,687	1,284,854	1,292,777	1,367,474	1,246,152	1,257,424	1,259,546	1,763,819	1,333,361	1,248,013
Public safety	1,014,227	1,988,248	2,104,012	2,152,945	2,076,988	2,134,533	2,064,401	3,489,702	2,388,871	2,222,144
Public works	1,164,936	2,549,047	1,554,873	2,040,323	2,362,103	1,886,215	1,363,905	1,410,387	1,195,490	1,515,770
Health and welfare	6,774	1,100	40,129	1,242	1,047	-	1,106	20,300	6,502	61,514
Parks & Recreation	345,374	261,170	325,393	269,815	256,455	283,623	242,770	458,393	241,667	255,712
Community development	3,077,439	35,849	361,812	67,768	21,189	37,225	410	5	4	-
Interest on long-term debt	106,906	265,869	249,250	343,780	346,990	312,829	368,445	201,600	190,440	185,740
Total governmental activities expenses	7,066,343	6,386,137	5,928,246	6,243,347	6,310,924	5,911,849	5,300,583	7,344,206	5,356,335	5,488,893
Business-type activities:										
Water	192,704	194,390	190,949	216,015	299,308	367,529	224,424	303,729	280,657	274,024
Sewer	558,313	595,176	696,236	750,208	790,566	765,695	802,304	823,368	923,223	1,107,872
Sanitation	206,746	211,824	220,006	242,657	255,119	256,810	246,591	400,386	311,791	275,665
Total business-type activities expenses	957,763	1,001,390	1,107,191	1,208,880	1,344,993	1,390,034	1,273,319	1,527,483	1,515,671	1,657,561
Total primary government expenses	\$ 8,024,106	7,387,527	7,035,437	7,452,227	7,655,917	7,301,883	6,573,902	8,871,689	6,872,006	7,146,454
Program Revenues										
Governmental activities:										
Charges for services:										
General Administration	\$ 131,274	149,805	177,441	177,087	182,043	172,812	156,633	182,768	149,702	237,825
Public safety	150,986	179,980	201,944	296,195	337,523	176,301	155,267	304,424	305,462	436,905
Public works	282	75	125	249	50	100	175	250	300	450
Parks & Recreation	29,855	18,534	54,361	44,453	34,024	37,068	23,650	19,080	26,064	38,775
Operating grants and contr.	91,923	130,988	61,554	65,351	113,971	26,556	26,167	51,521	34,091	45,566
Capital grants and contributions	29,352	2,306,471	815,967	988,369	2,414,122	1,190,945	462,197	1,845,877	993,448	10,334
Total governmental activities program revenues	433,672	2,785,853	1,311,392	1,571,704	3,081,733	1,603,782	824,089	2,403,920	1,509,067	769,855
Business-type activities:										
Charges for services:										
Water	200,272	239,175	245,798	265,498	280,278	271,052	278,072	292,232	314,507	305,599
Sewer	490,421	524,723	581,907	608,874	689,088	798,446	875,603	763,720	763,765	826,344
Sanitation	221,868	224,578	215,052	221,740	220,014	212,407	239,023	275,986	295,962	267,940
Capital grants and contributions	-	-	-	-	-	24,300	-	-	-	-
Total business-type activities program revenues	912,561	988,476	1,042,757	1,096,112	1,189,380	1,306,205	1,392,698	1,331,938	1,374,234	1,399,883
Total primary government program revenues	\$ 1,346,233	3,774,329	2,354,149	2,667,816	4,271,113	2,909,987	2,216,787	3,735,858	2,883,301	2,169,738
Net (expense)/revenue										
Governmental activities	\$ (6,632,671)	(3,600,284)	(4,616,854)	(4,671,643)	(3,229,191)	(4,308,067)	(4,476,494)	(4,940,286)	(3,847,268)	(4,719,038)
Business-type activities	(45,202)	(12,914)	(64,434)	(112,768)	(155,613)	(83,829)	119,379	(195,545)	(141,437)	(257,678)
Total primary government net expense	\$ (6,677,873)	(3,613,198)	(4,681,288)	(4,784,411)	(3,384,804)	(4,391,896)	(4,357,115)	(5,135,831)	(3,988,705)	(4,976,716)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 644,084	636,343	646,534	632,432	579,939	602,807	594,979	606,044	620,637	579,331
Sales and use taxes	625,473	721,092	662,596	705,667	705,045	763,145	682,051	791,808	829,259	847,269
Gross Receipts Tax	942,316	909,744	913,107	1,043,078	1,062,366	1,065,775	1,199,086	1,570,073	1,775,020	1,992,894
Franchise taxes	1,378,238	1,446,007	1,454,033	1,454,453	1,512,966	1,540,220	1,540,165	1,659,496	1,769,566	1,785,297
Other taxes	44,304	54,962	51,316	46,759	65,489	72,547	93,976	90,957	89,360	59,195
Intergovernmental										
Unrestricted grants and contr.	301,809	187,696	220,296	197,644	146,903	172,323	172,742	183,682	171,582	185,096
Investment earnings	72,965	32,386	28,844	19,917	17,056	18,731	20,876	26,693	36,842	63,933
Miscellaneous	29,897	63,806	105,632	70,727	269,389	84,619	93,103	113,931	224,712	90,775
Contractual agreements	155,602	141,942	199,829	357,659	163,697	124,916	144,340	127,162	113,692	118,727
Special Item	-	(2,005,696)	-	-	-	-	1,499,203	-	-	-
Gain on Sale of Capital Assets	-	-	-	-	-	-	-	-	-	13,344
Transfers	-	(246,806)	(1,100)	(53,527)	(136,009)	-	(62,250)	-	-	(50,000)
Total governmental activities	4,194,688	1,941,476	4,281,087	4,474,809	4,386,841	4,445,083	5,978,271	5,169,846	5,630,670	5,685,861
Business-type activities:										
Investment earnings	27,699	16,175	11,085	6,584	3,830	1,805	3,082	5,181	7,068	8,859
Transfers	-	246,806	1,100	53,527	136,009	-	62,250	-	-	50,000
Total business-type activities	27,699	262,981	12,185	60,111	139,839	1,805	65,332	5,181	7,068	58,859
Total primary government	\$ 4,222,387	2,204,457	4,293,272	4,534,920	4,526,680	4,446,888	6,043,603	5,175,027	5,637,738	5,744,720
Changes in Net Position										
Governmental activities	\$ (2,437,983)	(1,658,808)	(335,767)	(196,834)	1,157,650	137,016	1,501,777	229,560	1,783,402	966,823
Business-type activities	(17,503)	250,067	(52,249)	(52,657)	(15,774)	(82,024)	184,711	(190,364)	(134,369)	(198,819)
Total primary government	\$ (2,455,486)	(1,408,741)	(388,016)	(249,491)	1,141,876	54,992	1,686,488	39,196	1,649,033	768,004

Table 3

City of Sugar Creek
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2009	2010	2011**	2012**	2013**	2014**	2015**	2016**	2017**	2018**
General Fund										
Reserved	\$ 692,683	195,963	-	-	-	-	-	-	-	-
Unreserved	2,372,443	2,739,450	-	-	-	-	-	-	-	-
Nonspendable	-	-	201,592	211,070	232,921	253,857	233,395	248,033	311,010	370,171
Restricted	-	-	180,000	60,000	60,000	60,000	120,000	120,000	876,000	876,000
Assigned	-	-	100,000	150,000	200,000	250,000	-	-	-	-
Unassigned	-	-	2,339,691	2,139,475	2,167,956	1,836,340	1,828,958	2,247,517	2,959,991	3,440,954
Total General Fund	\$ 3,065,126	2,935,413	2,821,283	2,560,545	2,660,877	2,400,197	2,182,353	2,615,550	4,147,001	4,687,125
All other governmental funds										
Reserved	\$ 1,817,946	2,025,588	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	1,309,939	3,439,365	-	-	-	-	-	-	-	-
Capital project funds	401,434	(237,211)	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	4,080,714	3,669,465	4,144,667	3,730,456	3,132,257	2,960,242	3,064,266	3,230,698
Committed	-	-	490,271	445,165	445,166	445,166	445,166	812,303	978,719	978,719
Assigned	-	-	168,334	168,614	168,933	169,388	170,066	171,058	172,268	174,222
Unassigned	-	-	(349,797)	-	-	-	(45,766)	-	-	-
Total all other governmental funds	\$ 3,529,319	5,227,742	4,389,522	4,283,244	4,758,766	4,345,010	3,701,723	3,943,603	4,215,253	4,383,639

** Note: GASB 54 was implemented in the 2011 fiscal year, which has new categories.

City of Sugar Creek
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Taxes	\$ 3,549,574	3,844,537	3,746,696	3,880,519	3,935,642	4,059,494	4,110,256	4,709,644	5,083,842	5,213,986
Intergovernmental	329,062	2,591,214	462,667	1,687,145	2,198,882	1,280,107	573,405	329,986	305,075	212,141
Licenses, fees and permits	88,798	101,231	101,955	101,712	117,004	104,990	102,232	121,407	95,977	182,336
Rentals	51,643	52,564	81,226	79,745	71,744	76,100	58,946	66,236	63,576	65,349
Fines, forfeitures, and court costs	144,233	163,740	184,034	272,510	311,693	146,791	130,697	284,244	294,302	429,245
Payment in lieu of taxes	24,280	25,008	25,759	26,439	27,227	27,688	28,429	28,713	28,867	21,890
Special Assessments	4,111	-	3,722	-	-	-	-	-	-	-
Contractual agreements	255,603	2,401,942	199,829	499,669	220,103	129,916	144,340	127,162	989,692	68,787
Interest	72,965	32,386	28,843	19,915	17,057	18,732	20,876	26,693	36,842	63,933
Charges for services	27,723	30,858	66,656	64,018	53,199	66,708	43,851	34,635	27,674	37,025
Donations	-	-	-	-	-	-	-	-	-	-
Miscellaneous	29,827	63,806	109,411	88,227	769,387	84,619	93,103	113,931	90,706	90,775
Total revenues	<u>4,577,819</u>	<u>9,307,286</u>	<u>5,010,798</u>	<u>6,719,899</u>	<u>7,721,938</u>	<u>5,995,145</u>	<u>5,306,135</u>	<u>5,842,651</u>	<u>7,016,553</u>	<u>6,385,467</u>
Expenditures										
General government	1,365,650	1,246,177	1,272,064	1,494,975	1,229,161	1,241,428	1,270,262	1,400,688	1,388,082	1,559,273
Public safety	1,751,866	1,830,692	1,893,517	1,975,570	1,864,979	1,931,181	2,400,277	2,465,195	2,328,428	2,398,933
Streets and Public works	1,352,124	3,487,082	1,676,529	2,580,806	3,071,178	2,701,350	1,426,459	912,703	925,708	942,786
Community development	2,482,971	366,485	442,034	67,768	21,189	512	410	5	4	-
Health and welfare	6,774	1,100	40,129	22,257	1,047	-	1,106	20,300	6,502	61,514
Parks and recreation	346,720	288,233	332,562	537,156	283,049	269,348	229,136	238,217	284,233	264,217
Debt Service										
Principal	58,574	100,975	55,000	118,797	191,590	254,072	106,419	176,585	228,329	227,079
Interest	191,286	269,623	250,213	365,058	347,882	271,690	410,684	176,584	186,173	145,164
Claims	-	-	-	-	-	-	-	127,297	-	63,870
Total expenditures	<u>7,555,965</u>	<u>7,590,367</u>	<u>5,962,048</u>	<u>7,162,387</u>	<u>7,010,075</u>	<u>6,669,581</u>	<u>5,844,753</u>	<u>5,517,574</u>	<u>5,347,459</u>	<u>5,662,836</u>
Excess of revenues over (under) expenditures	(2,978,146)	1,716,919	(951,250)	(442,488)	711,863	(674,436)	(538,618)	325,077	1,669,094	722,631
Other Financing Sources (Uses)										
Legal Settlement	-	98,597	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-	0	35,879
Transfers in	2,749,812	1,126,408	1,579,260	766,530	570,746	531,056	476,329	557,620	453,166	174,905
Transfers out	(2,749,812)	(1,373,214)	(1,580,360)	(799,042)	(706,755)	(531,056)	(476,329)	(557,620)	(453,166)	(224,905)
Capital Lease Proceeds	-	-	-	-	-	-	135,962	350,000	-	-
Certificates of Participation Issued	-	-	-	-	-	-	2,425,000	-	-	-
Issuance of Debt	2,690,000	-	-	107,984	-	-	(14,475)	-	-	-
Insurance recovery	-	-	-	-	-	-	-	-	134,007	-
Payment to Escrow Agent	-	-	-	-	-	-	(2,369,000)	-	-	-
Original Issue Discount	(75,562)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>2,614,438</u>	<u>(148,209)</u>	<u>(1,100)</u>	<u>75,472</u>	<u>(136,009)</u>	<u>-</u>	<u>177,487</u>	<u>350,000</u>	<u>134,007</u>	<u>(14,121)</u>
Special Item	-	-	-	-	-	-	(500,000)	-	-	-
Net change in fund balances	\$ <u>(363,708)</u>	<u>1,568,710</u>	<u>(952,350)</u>	<u>(367,016)</u>	<u>575,854</u>	<u>(674,436)</u>	<u>(861,131)</u>	<u>675,077</u>	<u>1,803,101</u>	<u>708,510</u>
Debt service as a percentage of non capital expenditures	4.05%	5.82%	5.47%	8.22%	8.97%	9.40%	10.12%	7.18%	8.39%	6.79%

Table 5

City of Sugar Creek
 General Governmental Tax Revenues by Source
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

Fiscal Year	Franchise Tax	Gross Receipts Tax	Property Tax	City Sales Tax	Other Taxes	Total
2009	\$ 1,293,395	\$ 942,316	\$ 644,084	\$ 625,473	\$ 44,304	\$ 3,549,572
2010	1,522,395	909,744	636,343	721,092	54,962	3,844,536
2011	1,470,299	915,950	646,534	662,596	51,317	3,746,696
2012	1,454,453	1,041,209	632,432	705,666	46,759	3,880,519
2013	1,512,966	1,072,203	579,939	705,045	65,489	3,935,642
2014	1,555,220	1,065,775	602,807	763,145	72,547	4,059,494
2015	1,540,165	1,199,086	594,979	682,051	93,976	4,110,257
2016	1,659,497	1,570,073	605,053	654,933	90,957	4,580,513
2017	1,769,566	1,775,020	620,637	829,259	89,360	5,083,842
2018	1,785,297	1,992,894	579,331	847,269	9,195	5,213,986

Table 6

City of Sugar Creek
Franchise Tax by Receipt Type
Last Ten Fiscal Years

Receipts by Tax Type	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Electrical	\$ 883,949	\$ 1,056,133	\$ 1,083,212	\$ 1,139,968	\$ 1,189,769	\$ 1,239,188	\$ 1,243,973	\$ 1,418,547	\$ 1,540,601	\$ 1,542,745
Gas	178,556	163,293	174,357	125,049	138,593	147,175	143,967	107,580	108,283	125,973
Telephone	213,536	287,046	196,435	172,747	168,008	149,021	135,454	117,018	103,298	99,211
Cable	17,354	15,923	16,295	16,689	16,596	16,636	16,772	16,352	17,384	17,368
Total	<u>\$ 1,293,395</u>	<u>\$ 1,522,395</u>	<u>\$ 1,470,299</u>	<u>\$ 1,454,453</u>	<u>\$ 1,512,966</u>	<u>\$ 1,552,020</u>	<u>\$ 1,540,165</u>	<u>\$ 1,659,497</u>	<u>\$ 1,769,566</u>	<u>\$ 1,785,297</u>

Source- City Revenue Reports

Table 7

City of Sugar Creek
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended September 30	Tax Year	Real Property				Other Property		Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Market Value	Assessed Value as a Percentage of Actual Value
		Residential Property	Agricultural Property	Commercial Property	Total	Personal Property	Railroads & Utilities				
2009	2008	\$ 19,456,454	105,133	\$ 16,473,897	\$ 36,035,484	\$ 10,740,398	\$ 2,742,896	\$ 49,518,778	1.100	\$ 195,584,423	25.32%
2010	2009	18,156,818	105,152	15,983,411	34,245,381	10,001,787	2,238,096	46,485,264	1.130	183,416,072	25.34%
2011	2010	18,090,075	105,160	16,057,309	34,252,544	10,454,126	2,690,221	47,396,891	1.130	186,067,057	25.47%
2012	2011	18,290,560	95,574	14,565,693	32,951,827	10,321,511	3,078,696	46,352,034	1.130	183,196,799	25.30%
2013	2012	18,241,029	102,329	12,543,304	30,886,662	9,136,698	3,141,969	43,165,329	1.130	173,312,167	24.91%
2014	2013	18,240,794	102,329	13,025,186	31,368,309	8,785,722	3,340,950	43,494,981	1.130	174,384,645	24.94%
2015	2014	18,289,391	104,617	12,732,537	31,126,545	8,796,664	3,778,623	43,701,832	1.130	175,145,544	24.95%
2016	2015	18,765,542	109,255	13,438,059	32,312,856	9,410,899	3,823,691	45,547,446	1.130	181,880,396	25.04%
2017	2016	18,710,616	108,825	13,903,878	32,723,319	8,706,637	3,879,603	45,309,559	1.130	181,103,236	25.02%
2018	2017	19,542,237	109,994	16,999,111	36,651,342	9,546,080	4,571,687	50,769,109	1.045	199,846,146	25.40%

Note: The assessed value is set at 19% for residential property; 12% for agricultural property; and 32% for commercial property of the estimated fair market value.

Source: Jackson County Assessor's Office

Table 8

City of Sugar Creek
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years
(rate per \$100 assessed value)

Fiscal Year	Tax Year	City Direct Rates (1)			Overlapping Rates (2)				Total Direct & Overlapping Rates
		Basic/General Rate	Public Health	Total Direct	Fort Osage School District	Independence School District	Jackson County	State Blind Pension	
2009	2008	\$ 0.970	\$ 0.130	\$ 1.100	\$ 5.381	\$ 5.280	\$ 1.0596	\$ 0.030	\$ 12.851
2010	2009	1.000	0.130	1.130	5.381	5.430	1.0596	0.030	13.031
2011	2010	1.000	0.130	1.130	5.500	5.580	1.0464	0.030	13.286
2012	2011	1.000	0.130	1.130	5.500	5.670	1.0461	0.030	13.376
2013	2012	1.000	0.130	1.130	5.600	5.700	1.1398	0.030	13.600
2014	2013	1.000	0.130	1.130	5.600	5.700	1.0464	0.030	13.506
2015	2014	1.000	0.130	1.130	5.700	5.700	1.0317	0.030	13.592
2016	2015	1.000	0.130	1.130	5.700	5.913	1.1398	0.030	13.913
2017	2016	1.000	0.130	1.130	6.370	5.801	1.1398	0.030	14.471
2018	2017	0.925	0.120	1.045	6.370	5.801	1.1398	0.030	14.386

Notes: 1

The General Fund and Public Health Fund levy rates are limited by Missouri Statutes to \$1.00 and \$.13 per \$100.00

2 County Tax Breakdown for Current Year:

Jackson County	0.4849
Kansas City Public Library	0.4676
Handicap	0.0713
Mental Health	0.1160
Total County	<u>1.1398</u>

Note: Taxes are due November 1, delinquent after December 31. A penalty of 1% per month, up to a maximum of 10% is added for each month of delinquency. Collections are enforced through the attachment and sale of the property.

Table 9

City of Sugar Creek
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2018			2009		
	Total Assessed	Rank	Percentage of Total Taxable Assessed	Total Assessed	Rank	Percentage of Total Taxable Assessed
	Value		Value	Value		Value
Woodmen of the World Life	\$ 6,315,813	1	12.44%	\$ 6,266,848	1	12.66%
Kansas City Power & Light	4,531,884	2	8.93%	2,543,155	3	5.14%
BP Products Co / Amoco	3,478,030	3	6.85%	4,666,521	2	9.42%
Courtney Ridge Landfill	1,852,529	4	3.65%	1,653,415	5	3.34%
Buckeye Pipeline	1,587,835	5	3.13%			
Audubon Materials LLC	1,411,594	6	2.78%			
Mary Anne Davidson Trustee	536,870	7	1.06%			
Wilson Machinery	345,088	8	0.68%			
Kansas City Aggregates LLC	318,833	9	0.63%			
Waste Management of MO, Inc	300,153	10	0.59%	300,190	9	0.61%
Love Box. Co				341,973	8	0.69%
Davidson Trustee				586,678	7	1.18%
APAC Kansas				1,275,975	6	2.58%
Lafarge Corporation				2,017,687	4	4.07%
Lanard Toys Inc				234,443	10	0.47%
Total	\$ <u>20,678,629</u>		<u>40.73%</u>	\$ <u>19,886,885</u>		<u>40.16%</u>

Source: Jackson County Collection Department

Table 10

City of Sugar Creek
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended September 30:	Taxes Levied for Fiscal Year	Collected within Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	\$ 530,882	\$ 481,679	90.73%	\$ 14,702	\$ 496,381	93.50%
2010	505,038	486,521	96.33%	19,331	486,521	96.33%
2011	474,928	463,411	97.58%	10,917	474,328	99.87%
2012	461,125	443,013	96.07%	18,112	461,125	100.00%
2013	487,768	409,930	96.12%	18,222	428,152	87.78%
2014	493,114	474,245	96.49%	18,869	493,114	100.00%
2015	423,510	417,418	98.56%	17,556	434,973	98.56%
2016	451,243	432,263	95.79%	10,836	443,099	98.20%
2017	505,046	482,087	95.45%	10,693	492,780	97.57%
2018	521,711	495,049	94.89%	-	495,049	94.89%

Table 11

City of Sugar Creek
Ratios of Outstanding Debt by Type
Last Ten Calendar Years

Fiscal Year	Governmental Activities						Business-Type Activities			Total Primary Government	Percentage of Personal Income (2)	Per Capita (2)
	Energy Loan	Development Agreements	Radio Lease Agr.	Fire Truck Lease Agr.	Certificates of Participation	Discounts on Issuance COP	Revenue Bonds	Capital Leases	Certificate of Participation			
2009	\$ -	1,617,963	-	-	2,690,000	(74,415)	\$ -	-	-	4,233,548	5%	1,198
2010	-	1,606,989	-	-	2,600,000	(71,357)	-	-	-	4,135,632	5%	1,167
2011	-	1,618,685	-	-	2,545,000	(68,299)	-	-	-	4,095,386	6%	1,224
2012	94,712	1,554,888	-	-	2,490,000	(65,241)	-	-	-	4,074,359	7%	1,217
2013	82,714	1,541,483	-	-	2,430,000	(62,183)	-	-	-	3,992,014	6%	1,195
2014	70,837	1,578,196	-	-	2,370,000	(59,125)	-	-	-	3,959,908	6%	1,186
2015	58,528	1,544,086	-	135,962	2,425,000	(14,217)	-	-	-	4,149,359	6%	1,239
2016	45,772	1,553,933	350,000	92,133	2,305,000	(13,421)	-	-	-	4,333,417	7%	1,528
2017	32,553	1,514,311	309,922	46,723	2,215,000	(12,667)	-	-	-	4,105,842	5%	1,227
2018	18,854	1,483,730	268,846	-	2,120,000	(11,892)	-	-	-	3,879,538	5%	1,164

Notes: (2) See Table 15 for personal income and population data.

Table 12

City of Sugar Creek
Ratio of General Bonded Debt Outstanding
Last Ten Calendar Years

Fiscal Year	General Obligation Bonds	Less Amounts Available in Debt Service	Total	Percentage of Est Actual Taxable Value of Property (1)	Per Capita (1)
2009	\$ -	\$ -	\$ -	0.00%	-
2010	-	-	-	0.00%	-
2011	-	-	-	0.00%	-
2012	-	-	-	0.00%	-
2013	-	-	-	0.00%	-
2014	-	-	-	0.00%	-
2015	-	-	-	0.00%	-
2016	-	-	-	0.00%	-
2017	-	-	-	0.00%	-
2018	-	-	-	0.00%	-

Notes: (1) See Table 15 for personal income and population data.

Table 13

City of Sugar Creek
Direct and Overlapping Governmental Activities Debt
As of September 30, 2018

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Independence School District	\$ 220,520,000	23%	\$ 50,719,600
Fort Osage Reorganized #1 School District (as of June 30)	48,870,000	3%	1,466,100
Subtotal, overlapping debt			52,185,700
City direct debt			3,879,538
Total direct and overlapping debt			\$ 56,065,238

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Independence. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source: The debt outstanding data and applicable percentages provided by each governmental entity.

City of Sugar Creek
 Legal Debt Margin Information
 Last Ten Fiscal Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt Limit (1)	\$ 9,903,756	9,297,053	9,479,378	9,270,407	8,633,066	8,698,996	8,740,366	9,109,489	9,061,912	10,153,822
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	\$ 9,903,756	9,297,053	9,479,378	9,270,407	8,633,066	8,698,996	8,740,366	9,109,489	9,061,912	10,153,822
Total net debt applicable to the limit as a percentage of debt limit	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%

Legal Debt Margin Calculation for Fiscal Year 2018

Assessed Value	\$50,769,109
Debt Limit (20% of assessed value)	10,153,822
Total net debt applicable to limit	-
Legal debt margin	<u>10,153,822</u>

Note:

(1) Article 6, Section 26(b) of the Missouri Constitution permits any county or city, by vote of four-sevenths of qualified electors voting thereon, to incur an indebtedness of city purposes not to exceed 5 percent of the value of the taxable tangible property therein, as shown by the last assessment.

Article 6, Section 26(c) of the Missouri Constitution permits any county or city, by vote of four-sevenths of qualified electors voting thereon, to incur additional indebtedness of city purposes not to exceed 5 percent of the value of the taxable tangible property therein, as shown by the last assessment.

Article 6, Section 26(d) & (e) of the Missouri Constitution provides that any city may become indebted not exceeding in the aggregate an additional 10 percent of the value of the taxable tangible property for the purpose of acquiring right-of-ways, contracting, extending and improving streets and avenues and/or sanitary or storm sewer systems and an additional 10 percent for purchasing or construction of waterworks, electric or other light plants provided the total general obligated indebtedness of the city does not exceed 20 percent of the assessed valuation.

Table 15

City of Sugar Creek
Demographic and Economic Statistics
Last Ten Calendar Years

<u>Calendar Year (3)</u>	<u>Population (1)</u>	<u>Personal Income (thousands of dollars)</u>	<u>Median Household Income Personal Income</u>	<u>Median Per Capita Personal Income</u>	<u>Unemployment Rate (1)</u>
2009	3,533	\$ 93,232,000	\$ 48,094	\$ 24,503	7.30%
2010	3,543	86,282,600	46,692	23,722	6.80%
2011	3,345	66,900,600	37,167	20,000	9.00%
2012	3,348	57,033,000	31,685	17,035	8.20%
2013	3,341	65,772,000	36,540	19,686	8.20%
2014	3,339	64,600,200	35,889	19,347	7.50%
2015	3,348	68,414,400	38,008	20,434	7.50%
2016	2,837	66,171,600	36,762	23,327	5.50%
2017	3,345	75,841,185	37,151	22,673	3.80%
2018	3,334	78,652,394	37,943	23,591	4.50%

Sources: (1) www.city-data.com
www.bestplaces.net/people/city/missouri/sugar_creek

Table 16

City of Sugar Creek
Principal Employers
Current Year and Nine Years Ago

Employer	2018			2009		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Central Plains Cement (formerly Lafarge)	151	1	9.77%	105	2	6.56%
City of Sugar Creek	56	2	3.62%			
Wil-Pav Inc	35	3	2.26%	30	5	1.88%
Midwest Warehousing Services Inc	31	4	2.01%			
Menco Royal Inc.	30	5	1.94%	35	3	2.19%
Taco Bell	28	6	1.81%			
Midwest Materials Management	25	7	1.62%	32	4	2.00%
Talon/Quicksilver Administration	19	8	1.23%			
Republic Services	18	9	1.16%			
Quicksilver Ready Mix	17	10	1.10%			
Recovery Sales Corporation				120	1	7.50%
British Petroleum				25	6	1.56%
Jones Wholesale Grocer - Unit 39				25	6	1.56%
Transwood, Inc				25	6	1.56%
Sticks & Stones				20	9	1.25%
Sterling Lanes				18	10	1.13%
Total	<u>410</u>		<u>26.52%</u>	<u>435</u>		<u>27.19%</u>

Table 17

City of Sugar Creek
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Function:	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Administration	11	11	11	10	9	8	8	7	7	7
Public Safety										
Police	16	16	16	17	17	17	17	17	17	17
Court Administrator										
Court clerk	1	1	1	1	1	1	1	1	1	1
Dispatch	5	5	4	4	4	4	4	4	4	6
Firefighters	6	6	6	5	6	6	6	6	6	7
Street and Public Works										
Steet Maintenance	14	13	12	12	11	11	10	10	9	15
Refuse	3	3	3	3	3	3	3	3	3	0
Parks and Recreation	1	1	1	1	1	1	1	1	1	1
Building & Planning Department	1	1	1	1	1	1	1	1	2	2

Source: Various City Departments

Table 18

City of Sugar Creek
Operating Indicators by Function/Program
Last Ten Calendar Years

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public Safety										
Police										
Physical Arrest	795	1116	721	632	621	559	922	1372	1001	932
Traffic violations	992	665	990	897	697	846	1552	4807	2389	2593
Speed & Stop Light violations			3281	4705	2590	500	457	620	1383	1251
Park violations	3	16	28	5	2	18	10	3	26	28
Fire										
Number of calls answered	504	482	557	610	639	612	597	704	729	989
Number of inspections covered	249	231	226	236	266	217	206	255	195	223
Water										
Number of customers	969	964	956	956	967	975	984	978	986	978
Sewer										
Number of customers	1508	1509	1425	1462	1431	1506	1521	1507	1515	1515

Source: Various City Departments

Table 19

City of Sugar Creek
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public Safety										
Police										
Police stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	10	10	10	14	14	15	16	17	17	17
Fire										
Fire Stations	1	1	1	1	1	1	1	1	1	1
Public Works										
Total area (square miles)	10.88	10.88	10.88	10.88	10.88	12.88	12.88	12.88	12.88	12.88
Miles of streets	33	33	33	33	33	35	35	35	35	35
Culture and Recreation										
Park acreage	392	392	392	392	392	392	392	392	392	392
Parks	5	5	5	5	5	6	6	7	7	7
Gymnasium	1	1	1	1	1	1	1	1	1	1
Shelter houses	6	6	6	6	6	7	7	6	6	6
Ball Fields	9	6	6	6	6	6	6	4	4	4
Pavilion	1	1	1	1	1	1	1	1	1	1
Walking track	1	1	1	1	1	1	1	1	1	1
Gazebo	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	19	19	19	19	19	19	19	19	19	19
Fire hydrants	98	99	99	102	102	118	118	118	118	118
Number of Service Connecti	*	*	*	*	*	*	*	*	982	982
Sewer										
Number of treatment plants	1	1	1	1	1	1	1	1	0	0
Sewers mains (miles)	21	21	21	21	21	22	22	22	22	22
Number of service connectic	1508	1509	1425	1462	1431	1506	1521	1507	1451	1451

Source: Various City Departments

* Information not available